



WESTERN DOWNS REGIONAL COUNCIL  
**ANNUAL REPORT**

1 JULY 2021 TO 30 JUNE 2022



# CONTENTS

## CHAPTER 1: SETTING THE SCENE

The Region	5
The Role of Council	7
Community Financial Report	8

## CHAPTER 2: YOUR COUNCILLORS

Mayor's Message	13
Meet Your Councillors	14
About Council	15

## CHAPTER 3: OUR ORGANISATION

CEO's Message	19
Our Organisational Structure	20
Statutory Information: Corporate Governance	22

## CHAPTER 4: REPORTING PERFORMANCE

Council's Strategic Direction	27
Performance Assessment	28
Performance Highlights	34

## CHAPTER 5: FINANCIAL REPORTING

General Purpose Financial Statements	42
Management Certificate	85
Independent Auditor's Report	86
Report on the Current-Year Financial Sustainability Statement	91

## Contact Details and Distribution

### Contact Council

To contact Western Downs Regional Council, you can:

1. Phone our Customer Contact Team on 1300 COUNCIL (1300 268 624) or 07 4679 4000 (interstate)
2. Visit in person at your local Customer Service Centre
3. Find us on Facebook, Twitter and Instagram
4. Email Council at [info@wdrc.qld.gov.au](mailto:info@wdrc.qld.gov.au)
5. Write to us, addressing all correspondence to:

Chief Executive Officer  
Western Downs Regional Council  
PO Box 551  
DALBY QLD 4405

### Customer Service Centre Locations

80-86 Heeneey Street Chinchilla  
30 Marble Street Dalby  
22 George Street Jandowae  
29 Dawson Street Miles  
19 Fry Street Tara  
6 Henderson Street Wandoan

### Distribution

Western Downs Regional Council's Annual Report is available in hardcopy or electronic format.

Printed copies of the report may be obtained for a fee by writing to Western Downs Regional Council, PO Box 551, DALBY QLD 4405, or email [info@wdrc.qld.gov.au](mailto:info@wdrc.qld.gov.au) or phoning 1300 268 624 (or 07 4679 4000 from interstate) during normal business hours.

Alternatively, you can download a copy for free from Council's website at [www.wdrc.qld.gov.au](http://www.wdrc.qld.gov.au).

## About this Report

As well as being a legislative requirement for Local Government, Council's 2021-22 Annual Report serves to keep our stakeholders, including residents, ratepayers, businesses and industry, employees, community groups and partnering government agencies, informed of our performance over the previous financial year.

This Annual Report focuses on Council's financial and operational performance for the 2021-22 financial year against the Corporate Plan 2021 - 2026, which establishes the strategic direction of Council's programs and initiatives into prioritised and measurable actions.

This was achieved by structuring the Corporate Plan around the following four strategic priority areas which were workshoped with the local members representing our region, together with our management team to create a clear link between Council's planned delivery and the needs and expectations of our local communities:

**Strong Diverse Economy | Active Vibrant Community  
Quality Lifestyle | Sustainable Organisation**

Alignment to these four strategic priorities flows into Council budgets and operational plans, to ensure Council delivers against a shared vision for the Western Downs.

### How to Read this Report

This Report is divided into five chapters designed to help you find the information you are looking for.

Chapter 1: Setting the Scene – includes a profile of the Western Downs region, Council's role within the community, and a Community Financial Report consisting of key points highlighting our financial performance.

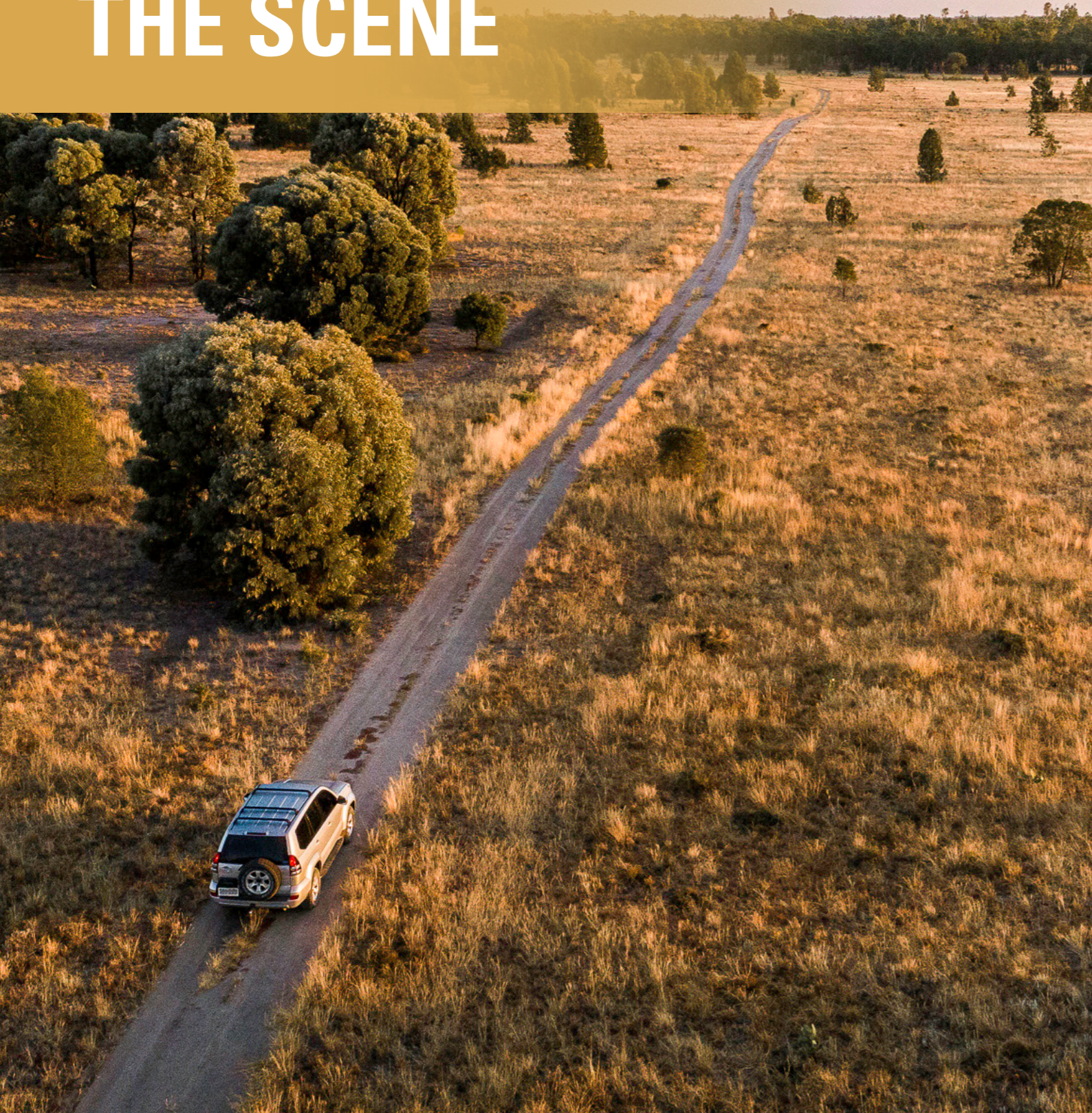
Chapter 2: Your Councillors – includes a message from the Mayor, shows our Councillors and their portfolios, and responds to the statutory information required for Councillors' Governance.

Chapter 3: Our Organisation – shows our organisational structure, includes a message from the CEO, and responds to the statutory information required for Corporate Governance.

Chapter 4: Reporting the Organisation's Performance – outlines our strategic direction, summarises our achievements toward meeting the objectives of the Corporate Plan, and provides an assessment of Council's overall performance by our Executive Team.

Chapter 5: Financial Reporting – includes our audited and certified General Purpose Financial Statements that detail Council's financial position for the year ending 30 June 2022.

# CHAPTER 1: SETTING THE SCENE



## The Region

Just 2.5 hours west of Brisbane is the Western Downs, a region with a diverse economy, vibrant active communities, extensive infrastructure and multi-billion dollar energy investments which ensures that the Western Downs continues to go from strength-to-strength.

Located in the heart of the resource rich Surat Basin, the Western Downs has a diversified energy portfolio with four pillars of energy generation: Coal, Gas, Wind and Solar cementing our reputation as the Energy Capital of Queensland.

Further to this the Western Downs is famous for its unique, large-scale events with Council hosting Opera at Jimbour and the Big Skies Festival, adding to the region's five other major festivals.

Built on agriculture and thriving in the intensive agriculture, energy and manufacturing industries, Western Downs Regional Council is focused on making our region a great place to live, work, visit and invest.

### Strategic Location

The Western Downs is bordered by the Banana Shire, North Burnett, South Burnett, Toowoomba, Goondiwindi, Balonne and Maranoa – and you'll find it all just 208km west of Brisbane.

When you arrive, you'll find a landscape cocktail of farmland, agriculture and mining operations, served up in an environment that's equal parts country charm and city-amenities.

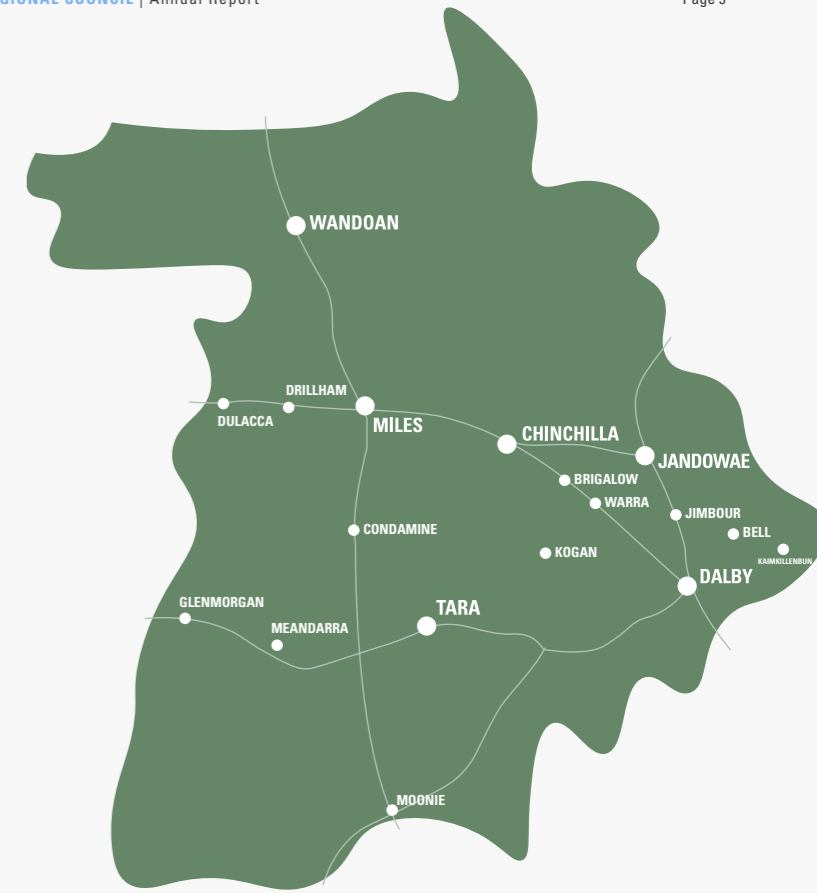
For many young families it's a new place to call home, with diverse townships including Chinchilla, Dalby, Jandowae, Miles, Tara and Wandoan.

The Western Downs offers an attractive location proposition for developers and investors too. The close proximity to thriving industries such as broad acre agriculture, intensive agriculture, manufacturing and energy opens up a plethora of opportunities.

The region is truly connected to the rest of Australia, serviced by three major arterials – The Leichhardt, Moonie and Warrego Highways. Getting here by car is now even easier with the opening of the Toowoomba Bypass.

Not driving? That's no worries. Let someone else take the steering wheel with regular bus services to Brisbane city as well as within the region.

Airports and aerodromes across the region connect the Western Downs with the rest of the world, and importantly, Western Downs businesses directly to their supply chain.



Export opportunities have never been better since the development of Queensland's only dedicated 747-8F International Freighter Service that departs from Toowoomba Wellcamp Airport, just 82km east of Dalby.

### Land Use & Natural Resources

There's no shortage of room to move in the Western Downs and our size supports a thriving agriculture industry with ample space for broadacre farming particularly for grain and cotton.

Beyond crops, the livestock industry is alive and well, dominated by cattle along with smaller industries of goats and sheep. In recent years, the Western Downs has seen a strong increase in intensive agriculture with a growing number of animals on feed.

Powering the area are large-scale industrial operations including coal mining, coal seam gas and renewable energy facilities.

### Population

Despite the trend of rural population decline, the Western Downs has a growing and thriving population. Recent migration data from the Regional Australia Institute Regional Movers Index put the Western Downs as the region with the 4th highest annual growth in migration. In the 12 months to March 2022, the Western Downs migration rate grew by 56% on the previous year. Of this move, Millennials (those aged 25 to 40) were the majority.



As at August 2021, 8,446 families call the Western Downs home with an average 2.5 people per household.

The Western Downs also has a strong culture of volunteerism, with 19.5% of residents doing voluntary work with a group at the time of the 2021 Census.

### Liveability

When it comes to liveability, the Western Downs promises a triple treat of affordability, accessibility and amenities.

Many young families are drawn to the region’s affordable cost of living, with housing prices that sit significantly lower than average. At August 2021, median monthly mortgage repayments in the region sat 33% lower than the state average, and over 43% less than the Australian figure.

The affordability doesn’t just stop for homeowners. For tenants, the median value of weekly rent was \$250, compared to \$365 for the whole of Queensland.

Families moving to the area are pleased to find high-performing public and private schools, including Queensland’s largest school farm as part of Dalby State High School.

Beyond the curriculum, our region promises children quality education in an environment that lets them truly be children – playing outside.

With no peak hour traffic, long commutes to work and more time for play rather than work, our residents have time to enjoy public recreation facilities including six swimming pools, seven skate parks and a multitude of new playgrounds and parklands within the region.

It’s not just dinners cooked at home, there’s cafes, restaurants and bars to keep you busy and food trucks which rove the region supplying everything from boutique cheeses to pizzas and curries.

You don’t need to drive out of the region to find access to primary services. The Western Downs has five hospitals and one Outpatients Clinic, combined with a growing suite of allied health services including physio, chiro and optometry to name a few.

Finding fresh produce is simple when you live in a region that’s primary industry is agriculture, whether you shop local or from supermarkets in town.

On the shopping front, the Western Downs is serviced by elegant boutiques stocking designer labels and specialty stores stocking everything from soft furnishings to agricultural needs.

## The Role of Council

At Western Downs Regional Council, we take our role as the front-line level of government seriously. It’s important to us that we remain the most accessible level of government in our local communities, and that the decisions made today positively shape the region for the benefit of the next generation.

We believe in and adhere to the following principles of local government:

- a) Transparent and effective processes and decision-making in the public interest;
- b) Sustainable development and management of assets and infrastructure, and delivery of effective services;
- c) Democratic representation, social inclusion and meaningful community engagement;
- d) Good governance of, and by, local government; and
- e) Ethical and legal behaviours of councillors and local government employees.

### Council’s Vision

A diverse region at the forefront of the changing world.

### Council’s Values

As elected representatives and staff of Western Downs Regional Council, our behaviour reflects our values: Communication, Leadership, Respect, Balance, Teamwork and Accountability.

### Council’s Risk Appetite Statement

Council has a high appetite for initiatives where there is a good understanding of the risk, and there is confidence that the outcomes will lead to significant business improvements or service delivery.

### Council’s Strategic Priorities

The services, projects and initiatives that Council is committed to delivering are in response to the strategic priorities identified under the following four focus areas of delivery for the Corporate Plan 2021 - 2026:

#### Strong Diverse Economy (Progress)

We aggressively attract business and investment opportunities

Our region is a recognised leader in agribusiness, energy and manufacturing

We deliver water security to enable future economic growth

We proactively advance our region as a tourism destination

Our businesses and industry actively live and buy local

#### Active Vibrant Community (People)

We are a happy, inclusive community, proud of where we live

Our people of diverse backgrounds and ages are united by social, cultural and sporting activities

Our parks, open spaces, and community facilities are alive with activities that connect our communities

We are a strong sustainable community supported by volunteers

We empower communities to develop local initiatives and events

#### Quality Lifestyle (Place)

Our residents are provided with modern infrastructure and quality essential services across our region

Our recreational spaces and community facilities are attractive, safe and accessible

We invest in safe, well maintained road networks to connect our region and support economic activities

We attract families to live, work, prosper and play in our region

We take pride in our natural assets, environment and heritage

#### Sustainable Organisation (Performance)

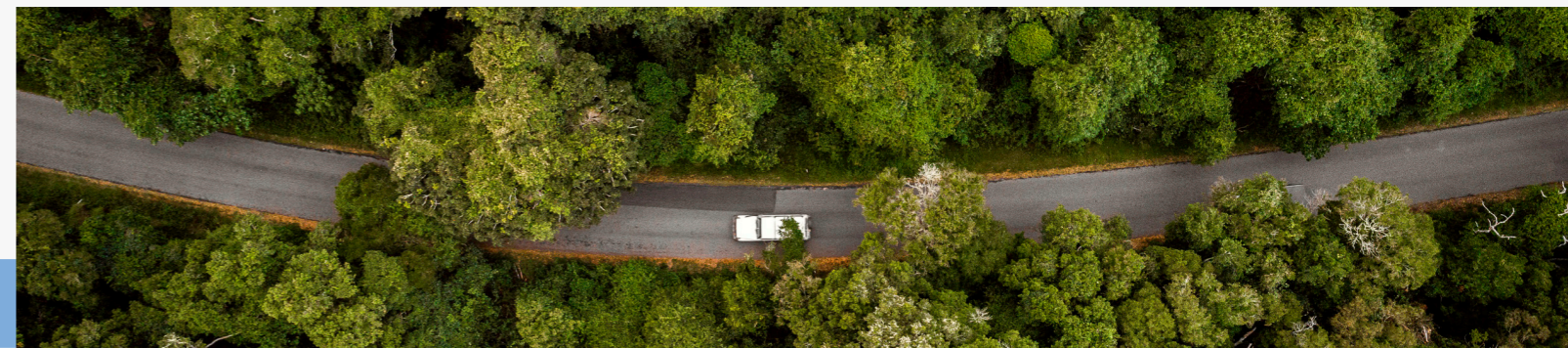
We are recognised as a financially intelligent and responsible Council

We focus on proactive, sustainable planning for our future

Our people are skilled and values-driven to make a real difference

Our agile and responsive business model enables us to align our capacity with service delivery

Our effective asset management ensures that we responsibly maintain our community assets



# Community Financial Report

## This report summarises Council's financial position at 30 June 2022.

Council is committed to ensuring it is financially sustainable in the long-term while ensuring our region is affordable for our families to live, work, prosper and play.

For 2021-22, Council has delivered on these commitments with its finances strengthened and families having to pay relatively low rates and utility charges for the delivery of services.

### This Community Financial Report consists of the following five key statements or elements:

1. Statement of Comprehensive Income (Profit and Loss Statement)
2. Statement of Financial Position (Balance Sheet)
3. Statement of Changes in Equity (how Council's equity or net worth has grown from one year to the next)
4. Statement of Cash Flows (how Council has used and grown its cash)
5. Financial Sustainability Measure (how we sustain Council's business financially)

#### Significant achievements for 2021-22 include:

- Delivering an operating surplus of \$4.2 million (Recurrent Revenue of \$166.1 million less recurrent Expenses of \$161.9 million),
- Completing capital works of \$54.9 million, and
- Increasing our cash by \$29.4 million.

## 1. Statement of Comprehensive Income (Profit and Loss)

The Statement of Comprehensive Income details where Council received its money and how it spent this money delivering services to our region. The difference is Council's operating surplus which will be used at a point in time to deliver services.

#### Financial Summary 2021-22

Revenue and Expenditure - Recent Operating Surpluses \$'million

Financial Year	2019-20	2020-21	2021-22
Recurrent Revenue	150.6	158.4	166.1
Recurrent Expenditure	143.6	145.6	161.9
Operating Surplus	7.0	12.8	4.2

Our operating surplus is the outcome which results from deducting our day-to-day costs, including depreciation of our property, plant and equipment, from our day-to-day revenue.



### Revenue - where does our money come from?

This year Council received \$186.3 million in revenue which consisted of \$166.1 million in recurrent revenue and \$20.2 million in capital revenue.

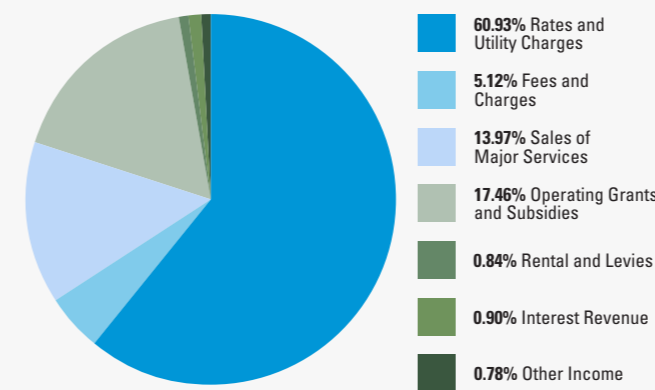
Recurrent or day-to-day revenue of \$166.1 million comprised:

- Rates, and Utility Charges \$101.2 million
- Operating Grants, and Subsidies \$29.0 million,
- Sales of Major Services \$23.2 million, including sale of gravel from our quarry and gravel pits, revenue from the use of our saleyards and revenue from contracts to maintain and upgrade Queensland Government owned roads,
- Fees and Charges \$8.5 million,
- Rentals and Levies \$1.4 million,
- Interest Revenue \$1.5 million, and
- Other Income \$1.3 million.

In addition, we received Capital Revenue of \$20.2 million to assist in delivering capital projects. This consisted mainly of grants provided by the State and Commonwealth Governments and contributions from the resource sector.

The following graph shows the break-up of our recurrent revenue:

#### SOURCES OF COUNCIL RECURRENT REVENUE



### Expenses - How was the money spent?

We incur both operating and capital expenditure in delivering services to our community.

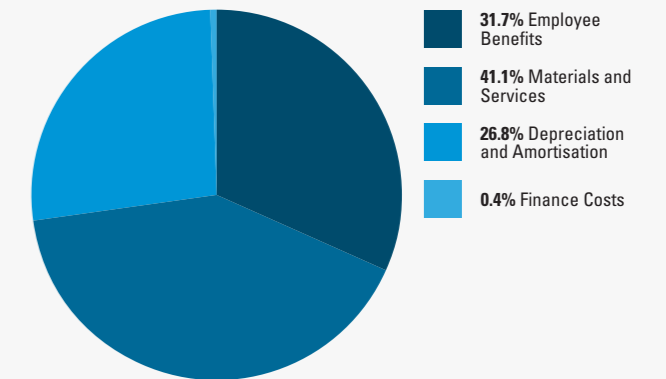
Depreciation expense is that component of our assets' (i.e. roads, bridges, buildings etc.) service potential utilised over the course of the year.

Recurrent or day-to-day expenditure of \$161.9 million comprised:

- Employee Benefits \$51.3 million,
- Materials and Services Costs \$66.5 million,
- Depreciation and Amortisation \$43.4 million, and
- Finance Costs \$0.7 million.

In addition, capital expenses totalled \$20.3 million which mainly related to the transfer of Health Services assets, making the Myall 107 site safe and the write-off of assets where assets needed to be replaced earlier than expected.

#### RECURRENT OR DAY-TO-DAY EXPENDITURE



## 2. Statement of Financial Position (Balance Sheet)

The Statement of Financial Position measures what we own (our assets) and what we owe (our liabilities), resulting in our net worth at the end of the financial year.

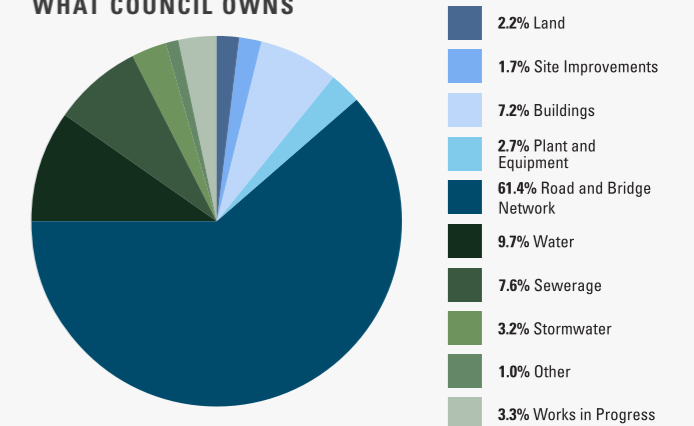
#### Assets: What do we own?

As at 30 June 2022, Council assets were valued at \$1,783.2 million and comprised:

- Property, plant and equipment including intangibles \$1,527.5 million,
- Cash and cash investments \$230.5 million,
- Trade and other receivables \$18.2 million, and
- Inventories and contract assets \$7.0 million.

The breakdown of Council's property, plant and equipment is graphically represented below.

#### WHAT COUNCIL OWNS



Council's most significant asset is our road and bridge network which is valued at \$936 million. The region has over 7,500km of Council owned roads which is by far the largest in Queensland and the second largest local government road network in Australia.

Council uses this property, plant and equipment to provide services to the community. Therefore, it is necessary that we maintain these assets to an appropriate standard. Based on valuations provided by independent valuers, the remaining lives as a percentage of these assets' useful lives average 67.0%. This indicates our assets are in very good condition. The percentages for Council's major asset classes are provided in the following table.

Major Asset Class	% of Useful Life Remaining
Buildings	58.9%
Roads and Bridge Network	69.6%
Water	57.3%
Sewerage	64.6%

**Liabilities: What do we owe?**

At 30 June 2022, Council's liabilities total \$52.1 million. Our liabilities comprised:

- Trade and other payables \$18.8 million,
- Employee leave liabilities \$12.9 million,
- Provisions to restore Council's quarries, gravel pits, landfills and evaporation ponds \$6.4 million, and
- Contract and lease liabilities \$14 million.

**Our Net Worth**

Our net worth is \$1,731.1 million which comprised assets of \$1,783.2 million less liabilities of \$52.1 million.

**3. Statement of Changes in Equity**

The Statement of Changes in Equity measures the changes in our net worth and shows the movement in our retained earnings and asset revaluation surplus.

The increase in our net worth (i.e. Equity) of \$57.6 million was due to a positive net result of \$4.1 million (i.e. revenue of \$186.3 million less expenditure of \$182.2 million) and an increase in the value of our assets of \$53.5 million.

**4. Statement of Cash Flows**

The Statement of Cash Flows shows all the activities undertaken during the year that impact our cash balances.

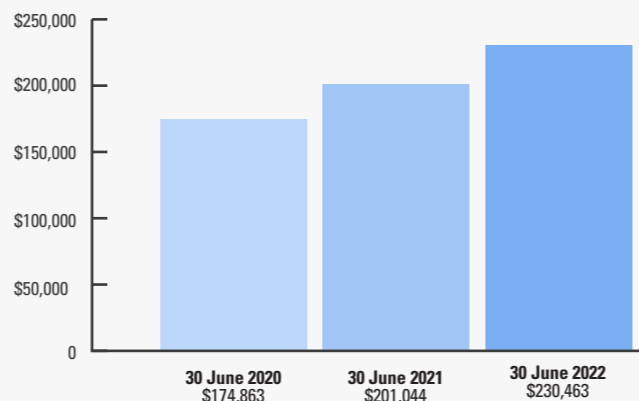
Our cash balances increased by \$29.4 million over the course of the year. The majority of Council's cash balances are invested in the State Government Capital Guaranteed Queensland Treasury Corporation Cash Fund.

The growth in our cash balance is a result of net cash generated of \$50,036 which was greater than the funding required of \$20,617.



The following graph shows how our cash balances has improved since 30 June 2020.

**COUNCIL'S CASH BALANCES**



As at 30 June 2022, Council had adequate cash to meet 17.1 months of operating and capital expenditure.

**5. Financial Sustainability Measure - How strong is Council financially?**

A local government is considered financially sustainable if it can maintain its financial capital (equity or net worth) and its infrastructure over the long-term. In forming a view of the local government's financial sustainability, several financial ratios are used.

Council's performance as at 30 June 2022 against these financial ratios is listed on the next page.

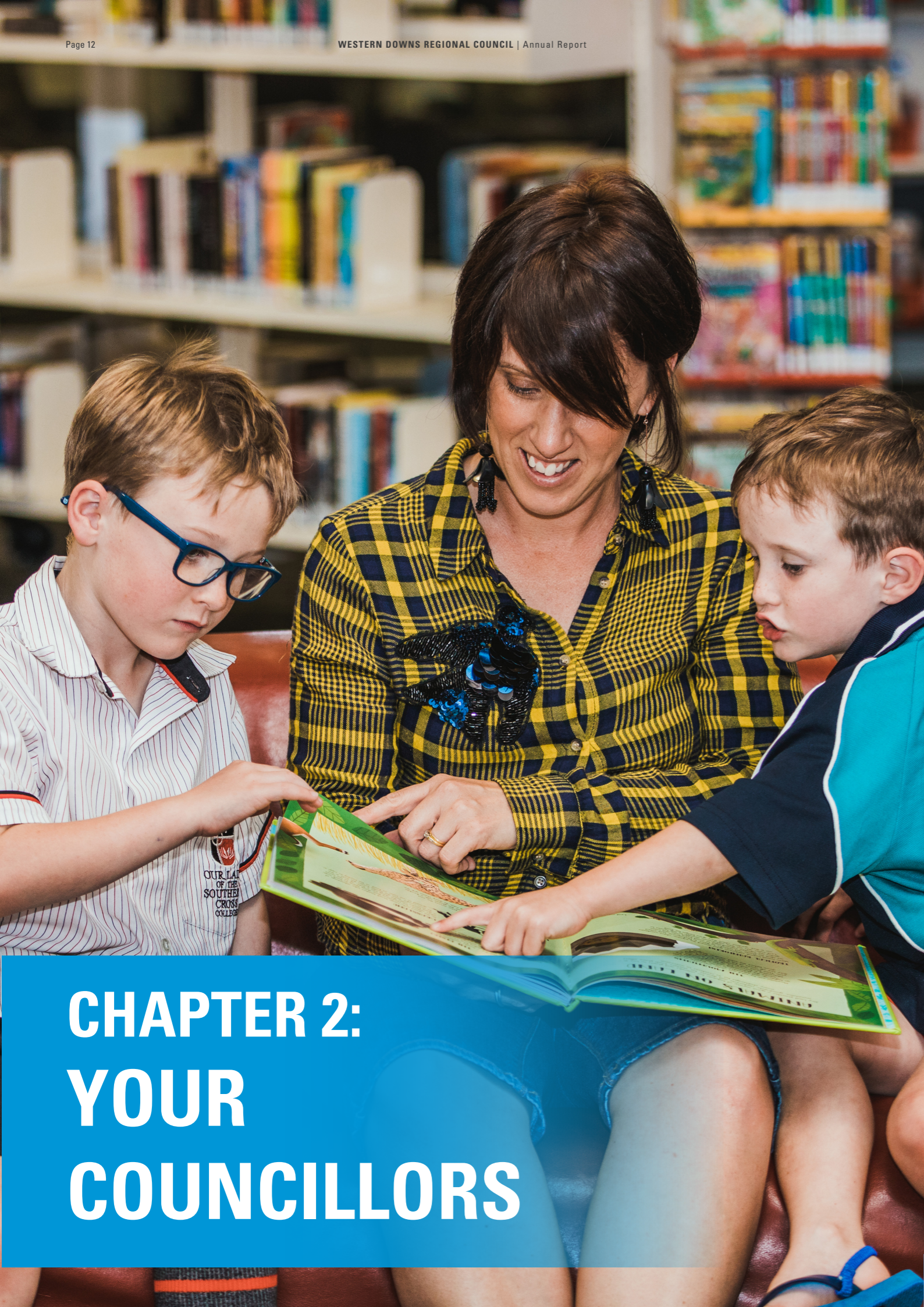
Ratio	Benchmark	2019-20	2020-21	2021-22	Outcome
Operating surplus ratio (measures Council profitability)	0% to 10%	4.7%	8.1%	2.6%	✓
Asset sustainability ratio (measures the extent we are sustaining our asset base)	>90%	55.0%	88.7%	82.1%	✗
Net financial liabilities ratio (measures the extent to which our financial liabilities can be serviced by our operating revenue)	<60%	-106.0%	-117.5%	-122.1%	✓
Remaining useful life of assets ratio (measures the average life remaining in Council's portfolio of assets)	30 to 40 years	33.4 years	32.5 years	35.4 years	✓
Council controlled revenue ratio (measures the extent to which Council has control over its decision-making)	>60%	64.3%	65.7%	66.1%	✓
Cash cover of operating expenses ratio (measures the number of months Council can survive without having to raise any revenue or having to borrow)	>4 months	14.6 months	16.6 months	17.1 months	✓

The above table indicates that Council is operating on a financially sustainable basis and can adequately deliver the range of services it provides to the region.

The only ratio which Council fails is the Asset Sustainability Ratio. Failure to meet this benchmark may mean that Council is not maintaining its assets. Council has a minimal capital maintenance and replacement backlog and has

more than adequate cash (as indicated by its cash cover to operating expenses including depreciation ratio) to meet any unforeseen capital replacements and maintenance.

All other financial sustainability ratios are strong with outcomes well in excess of the benchmark or at the high end of the range if the benchmark is a range of outcomes.



# CHAPTER 2: YOUR COUNCILLORS

## Mayor's Message

The Western Downs is a diverse region at the forefront of a changing world, where spirit and ingenuity combine with opportunity and regional advantages to build the prosperous powerhouse and incredible community that it is today.

I am proud to lead a team who is dedicated to enabling our region to go from strength to strength with a promising future for our community.

One of the hallmarks of a successful region is population growth and I'm proud that earlier this year the Western Downs recorded the largest increase in population growth of any local government area in Queensland, and 4th highest in the country.

*"People follow two things, great liveability and opportunity, and the Western Downs has those things in spades."*

Despite the uncertainty we have all felt in recent years, our region remains incredibly strong with our Gross Regional Product growing by 34% in five years to a staggering \$4.31 billion.

Our major economic pillars of Agriculture, Manufacturing and Energy continue to innovate and drive our diverse local economy to new heights. We produce

so much here: 42% of the national feedlot occupancy is located within 200km of Dalby. Our manufacturing sector has doubled its sales volume to \$696 million in five years and attracted 600 new jobs. Our energy sector remains a sterling example of a diversified and progressive energy mix, encompassing traditional energy technologies, and now solar, wind, hydrogen, and new battery technology, securing our title of 'energy capital of Queensland'.

As a Council we aggressively attract business and investment to the region and position the region to take advantage of opportunities. Our region's development horizon looks incredibly strong, with \$6.57 billion of investment in development projects identified within the region which promises an upward trajectory for our local economy.

We work closely with external industry partners to drive ongoing growth and certainty across the Western Downs. Our region benefits from fantastic relationships with organisations such as Toowoomba and Surat Basin Enterprise (TSBE) as well as our local Chambers of



Mayor  
Councillor Paul McVeigh  
Portfolio - Executive Services  
Phone: 07 4679 4004  
Mobile: 0408 700 392  
paul.mcveigh@wdrc.qld.gov.au

Commerce. These partnerships have delivered fantastic opportunities including the Surat Basin Energy Summit, the innovative Emerging Exporters Program and a host of enterprise evenings.

Ensuring that our region has great liveability remains one of this Council's key priorities and as our region emerges from the more uncertain times of the COVID-19 pandemic, we do so with a host of new and exciting facilities funded by our COVID-19 Recovery Package.

Residents and visitors can now enjoy revitalised recreational spots such as Chinchilla Weir, Caliguel Lagoon, Lake Broadwater, Tara Lagoon and Waterloo Plain Environmental Park, or enjoy the completed works of the Miles CBD Streetscape.

These facilities support our efforts to grow our tourism experiences here in the Western Downs, and bolster visitation, in addition to the incredible range of destination events that Council remains committed to supporting.

Combined, the strength and opportunity of our region, the energy and character of the people that make it, the great liveability and a positive outlook for the future, makes the Western Downs a truly incredible place to live, work and raise a family.

I thank and congratulate all the staff who are a part of the Western Downs Regional Council family and I remain hopeful and inspired looking to the year ahead as we build a bright, sustainable future for our region.

# Meet Your Councillors

The Western Downs Regional Council local government area is represented by eight elected Councillors, and an elected Mayor who are responsible for the strategic direction of Council. There are no wards or divisions within the Western Downs Regional Council.

Council elections are held every four years with the most recent election being held on 28 March 2020.

For detailed information in relation to Councillor entitlements, remuneration packages, committee representation and meeting attendance, please refer to the next section of this Report containing Statutory Information.

## Statutory Information: Councillor Governance

As the community's elected representatives, the Mayor and Councillors are responsible for the successful management of the Western Downs Regional Council local government area. To ensure Council's leadership is fair and equitable, and that decisions are made in the best interest of our region, Council is required to act in accordance with the *Local Government Act 2009*, *Local Government Regulation 2012* and associated State and Federal legislation.



**Mayor Paul McVeigh**  
 Portfolio - Executive Services  
 (Disaster Management, Economic Development, Internal Audit, Communications and Marketing)  
 Phone: 07 4679 4004  
 Mobile: 0408 700 392  
 paul.mcveigh@wdrc.qld.gov.au



**Deputy Mayor Andrew Smith**  
 Portfolio - Planning, Environment and Agribusiness  
 (Statutory Planning, Development and Compliance, Environment and Health, Waste, Rural Services and Agribusiness)  
 Phone: 07 4679 4004  
 Mobile: 0438 755 896  
 andrew.smith@wdrc.qld.gov.au



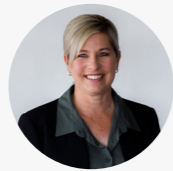
**Councillor Kylie Bourne**  
 Portfolio - Tourism, Events and Regional Promotion  
 (Council and Community Major Events, Tourism Attraction and Regional Promotion)  
 Phone: 07 4679 4004  
 Mobile: 0467 171 225  
 kylie.bourne@wdrc.qld.gov.au



**Councillor Kaye Maguire**  
 Portfolio - Community and Cultural Development  
 (Libraries, Community Development, Cultural Development and Community Services)  
 Phone: 07 4679 4004  
 Mobile: 0475 007 555  
 kaye.maguire@wdrc.qld.gov.au



**Councillor George Moore**  
 Portfolio - Works and Technical Services  
 (Civil Works, Fleet, Quarries, Asset Management and Design)  
 Phone: 07 4679 4004  
 Mobile: 0437 536 990  
 george.moore@wdrc.qld.gov.au



**Councillor Megan James**  
 Portfolio - Strategic Communications and Council Facilities  
 (Aerodromes, Sporting Facilities, Showgrounds and Community Buildings)  
 Phone: 07 4679 4004  
 Mobile: 0419 946 575  
 megan.james@wdrc.qld.gov.au



**Councillor Ian Rasmussen**  
 Portfolio - Finance, Corporate Services and Business Strategy  
 (Finance, Governance, Business Planning and Saleyards)  
 Phone: 07 4679 4004  
 Mobile: 0477 977 085  
 ian.rasmussen@wdrc.qld.gov.au



**Councillor Peter Saxelby**  
 Portfolio - Utilities  
 (Water, Wastewater and Gas)  
 Phone: 07 4679 4004  
 Mobile: 0475 007 554  
 peter.saxelby@wdrc.qld.gov.au



**Councillor Carolyn Tillman**  
 Portfolio - Recreational Spaces and Cemeteries  
 (Parks, Open Spaces, Gardens and Cemeteries)  
 Phone: 07 4679 4004  
 Mobile: 0401 662 352  
 carolyn.tillman@wdrc.qld.gov.au

# About Council

## Council Meetings

Council makes decisions at Ordinary meetings of Council which are held each month. The Ordinary Meetings are held at regional locations on a rotational basis, and Special Meetings are convened when required.

Statutory and Advisory Committees operated, comprising Councillors and external parties. All such Committees operate under a 'terms of reference' and while they do not have decision making authority, their purpose is to provide recommendations to Council.

All Ordinary and Special Meetings of Council are open to the public. Individuals or groups may address Council on a particular matter of public interest by deputation. Deputations may be arranged through the office of the Chief Executive Officer.

Council may at times resolve to temporarily close a meeting under section 254J of the *Local Government Regulation 2012* to discuss a confidential matter, however all decisions about such matters are made in an open meeting.

Council meetings are carried out in accordance with relevant legislation and the *Meetings - Council Policy* which is available on our website [www.wdrc.qld.gov.au](http://www.wdrc.qld.gov.au).

The date, time and location of all Ordinary and Special meetings are published at least annually and are available on Council's website as well as at all Customer Service Centres. Special Meetings of Council are called as required, with the only items of business conducted at these meetings being the business stated in the meeting notice.

The agenda and related reports (excluding confidential items) for each meeting are publicly available by 5pm the next business day after the notice of meeting is given to each Councillor.

Minutes of all Council meetings are published on our website within the statutory ten days following the meeting.

A total of twelve (12) Ordinary Meetings and four (4) Special Meetings were held from 1 July 2021 to 30 June 2022.

### Summary of Meeting Attendance by Councillors 1 July 2021 to 30 June 2022

Councillor	Ordinary Meetings Attended	Special Meetings Attended
Cr Kylie Bourne	12 of 12	4 of 4
Cr Megan James	12 of 12	4 of 4
Cr Kaye Maguire	12 of 12	4 of 4
Cr Paul McVeigh (Mayor)	12 of 12	4 of 4
Cr George Moore	11 of 12	4 of 4
Cr Ian Rasmussen	12 of 12	4 of 4
Cr Peter Saxelby	12 of 12	4 of 4
Cr Andrew Smith (Deputy Mayor)	12 of 12	4 of 4
Cr Carolyn Tillman	11 of 12	4 of 4





## Councillor Briefings and Workshops

In addition to regular Council meetings, Councillor briefing sessions and workshops are also held to inform Council of important issues. These sessions are not a decision-making forum and therefore allow detailed discussions to explore options and develop a better understanding of the issues.

Decisions of Council can only be made during actual council meetings.

### Councillor's Remuneration, Superannuation, Expenses Incurred and Facilities provided 1 July 2021 to 30 June 2022

Councillor	Remuneration	Superannuation*	Expenses Incurred	Facilities Provided**
Cr Kylie Bourne	\$70,759.00	\$7,075.90	\$7,040.00	\$20,352.00
Cr Megan James	\$70,759.00	\$7,075.90	\$6,546.00	\$20,352.00
Cr Kaye Maguire	\$70,759.00	\$8,491.08	\$8,569.00	\$20,352.00
Cr Paul McVeigh (Mayor)	\$133,196.00	\$15,983.52	\$19,839.00	\$20,352.00
Cr George Moore	\$70,759.00	\$8,110.07	\$6,094.00	\$20,352.00
Cr Ian Rasmussen	\$70,759.00	\$8,491.08	\$2,216.00	\$20,352.00
Cr Peter Saxelby	\$70,759.00	\$8,491.08	\$962.00	\$20,352.00
Cr Andrew Smith (Deputy Mayor)	\$83,247.32	\$9,989.72	\$17,272.00	\$20,352.00
Cr Carolyn Tillman	\$70,759.00	\$8,491.08	\$1,415.00	\$20,352.00

\* the superannuation guarantee increased from 6.5% to 10% on 1 July 2021 which means Councillor's that are not making a personal contribution of 6% have had an increase in employer superannuation contributions compared to last year's report.

\*\* motor vehicle

## Particular Resolutions

No resolutions under section 250(1) of the *Local Government Regulation 2012* relating to the amendment of the Councillor Expenses Reimbursement Policy were made during the 2021-22 financial year.

## Expenditure from Councillors Discretionary Funds

Western Downs Regional Council does not provide Councillors with discretionary funds.

## Councillors Remuneration and Expenses Reimbursement Policy

Chapter 5 Part 3 of the *Local Government Regulation 2012* requires the Annual Report to detail the total remuneration, including superannuation contributions paid to each Councillor for the financial year as well as expenses incurred in accordance with Council's Expenses Reimbursement Policy.

Councillor remuneration is determined by the Local Government Remuneration Commission on an annual basis.

## Overseas Travel

During this reporting period no Councillors travelled overseas for Council business.

## Complaints about Councillor Conduct and Performance

The roles, responsibilities and obligations of Councillors are set in the *Local Government Act 2009*, with provisions relating to complaints about their conduct and performance outlined in Chapter 5A. Further, the *Code of Conduct for Councillors in Queensland* sets out the standard of behaviour expected of Councillors when carrying out their roles, responsibilities and obligations as elected representatives of their communities.

The Office of the Independent Assessor considers complaints against Councillors. There were five (5) Councillor conduct complaints made during the 2021-22 year.

Complaints / Orders and/or Recommendation Type	LGA Section	Number
Orders made by Chairperson regarding unsuitable meeting conduct	150I(2)	0
Orders made by the local government regarding inappropriate conduct	150AH(1)	0
Decisions, Orders and Recommendations made by the Councillor Conduct Tribunal regarding misconduct	150AR(1)	0
Name of each Councillor to whom a decision, order or recommendation was made	150I(2), 150AH(1) or 150AR(1)	N/A
A description of the unsuitable meeting conduct, inappropriate conduct or misconduct engaged in by each Councillor	150I(2), 150AH(1) or 150AR(1)	N/A
A summary of the decision, order or recommendation made for each Councillor	150I(2), 150AH(1) or 150AR(1)	N/A
Complaints referred to the assessor by the LG, a Councillor of LG or CEO or LG	150P(2)(a)	2
Matters notified to the Crime and Corruption Commission	150P(3)	0
Notices given to Assessor about particular conduct	150R(2)	0
Notice given to Assessor about misconduct	150S(2)(a)	0
Decisions made by the Assessor	150W(1)(a)(b)(e)	5
Referral Notices	150AC(3)(a)	0
Occasions information given	150AF(4)(a)	0
Occasions LG asked another entity to investigate suspected inappropriate conduct of a Councillor	Chapter 5A Part 3 Division 5	0
Applications heard by Conduct Tribunal about whether a Councillor engaged in misconduct or inappropriate conduct	Chapter 5A Part 3 Division 6	0

Council must keep and publish a Councillor conduct register that records orders made about unsuitable meeting conduct by a Councillor, a summary of decisions about suspected inappropriate conduct referred to Council and any action taken, a summary of decisions made by the Councillor Conduct Tribunal about where a Councillor

engaged in misconduct and any action taken and complaints about Councillors dismissed by the Officer of the Independent Assessor, or decisions by the Independent Assessor to take no further action after undertaking an investigation. The Councillor conduct register is located on Council's website.





# CHAPTER 3: OUR ORGANISATION

## CEO's Message

Throughout the 2021-2022 year, the Western Downs was tested by a series of flooding events as we began to emerge from the early uncertainties of the COVID-19 pandemic. We have emerged with a strong position, enhanced liveability and a positive economic outlook despite challenging times, which is a testament to the resilience and determination of our community and our organisation. As an organisation we looked for the opportunities in the disruption and were able to approach our Corporate Plan goals in new and innovative ways, whilst also delivering a number of fantastic major projects for our community. The delivery of programs in the last 12 months have also built greater resilience for our community which will make us stronger for the future.

This report presents an assessment of our performance against the objectives of our Corporate Plan for the past year, and I'm proud to say that Council continued to deliver exceptional results for our community.

Council supports the growth of a strong diverse economy through projects, events and initiatives. This year our Business Coaching Workshops, Protein Jobs Fairs, Procurement Roadshows, Accelerate Manufacturing Conference and Digital Marketing Workshops were well supported by businesses in our region. Supporting our growing tourism sector is another key focus, and projects including the completion of the Miles CBD Streetscape Revitalisation and work to attract the 36th National CMCA Rally to the region in 2023 are incredible highlights of this year.

Ensuring that our community is active and vibrant guides the work of Council's Community and Liveability division, which this year delivered some fantastic support and services. We were pleased to see a number of community organisations and individuals receive over \$214,639 in grant funding this year, and our Libraries team deliver 562 public programs to more than 4,300 residents, including the popular Words Out West Festival which grew again for a third year to reach 1,808 attendees. Bringing the community back together to celebrate was more important than ever this year, and we achieved this through events like Youth Month, Groovin in the Garden, Not Just for Laughs, Australia Day, ANZAC Day, Pool Parties and Drive-in Movies. Celebrating our history and heritage is also important to Council and I am proud that the Wandoan Soldier Settlers Avenue of Honour Project was awarded the Local Government Manager's Association (LGMA) QLD Community Shaping award this year.

Major projects completed this year, including Lake Broadwater, Chinchilla Weir, Caliguel Lagoon and the first stage of Waterloo Plains, will enhance the quality lifestyle and our ability to attract visitors to our region for many years to come. Road repair and improvement is an ongoing priority for Council, and in the 2021-22 year Council upgraded or reconstructed 57km of local roads,



Jodie Taylor  
Chief Executive Officer

*"Looking to the future... the Western Downs will continue to uphold its reputation as an incredible place to live, work and raise a family."*

118km of unsealed roads were gravel resheeted and an ongoing flood damage package began, all to ensure safe and great connectivity for our region.

'It's the people that make it', and again this year Council has invested in jobs and skilling for local people, with 16 Community Spirit Bursary placements awarded to

high school leavers, 17 work experience students hosted by Council and 185 young people applied for the Kickstart Your Career program. We are also a diverse and inclusive Council and six of our employees were enrolled in Women in Leadership programs through scholarships this year.

Looking to the future, the next year will present challenges as we work to rebuild after flood damage and manage global supply and demand pressures, but the opportunities that lay before our strong community and growing local economy, as well as the incredible results of the last year, fill me with confidence that the Western Downs will continue to uphold its reputation as an incredible place to live, work and raise a family.

# Our Organisational Structure

In consultation with our communities, the elected Council sets the strategic direction of the organisation under the authority of the Statement Government via the *Local Government Act 2009*. Council's Corporate Plan 2021–2026 is our long-term vision for the Western Downs.

The Chief Executive Officer and Executive team are responsible for carrying out the decisions of Council as well as providing professional advice on how to best achieve identified priorities within allocated resources.

In consultation with Council, the Executive team and their staff develop annual operational plans and budgets aligned to the Corporate Plan. An assessment of progress against these plans is provided to Council each quarter via the Operational Plan review, and annually to the community via this Annual Report. This Annual Report accounts for the strategic priorities which were addressed in Council's 2021-22 Operational Plan.

To ensure our organisation is effectively undertaking its responsibilities, internal audits are carried out to evaluate systems and processes, and to encourage a culture of continuous improvement. Overseeing internal audit activities, the Audit Committee provides an independent and external review of the corporate governance framework.

Western Downs Regional Council is structured into the following four divisions:

- Executive Services lead by the Chief Executive Officer
- Corporate Services lead by the General Manager (Corporate Services)
- Community and Liveability lead by the General Manager (Community and Liveability)
- Infrastructure Services lead by the General Manager (Infrastructure Services)

The executive and senior management teams are responsible for the functions shown in the organisational chart. Their role is to assist Council in making timely and informed decisions, backed by trusted advice and supported by effective and inclusive governance.

As leaders of the organisation, the executive and senior management teams are responsible for ensuring their departments service the local communities effectively and efficiently.

Each division is further segmented into functional departments, as shown on the next page.



## Western Downs Regional Council Organisational Structure As at 30 June 2022





## Statutory Information: Corporate Governance

### Significant Business Activity

Western Downs Regional Council conducted eight (8) significant business activities during 2021-22, as listed below.

- Commercial Works
- Waste Management
- Gas Supply
- Quarries
- Water (type 2 significant business activity)
- Sewerage (type 2 significant business activity)
- Dalby Regional Saleyards @ Western Downs
- Washdown Bays

The competitive neutrality principle has been applied to these significant business activities with relevant adjustments made as a result.

For a full list of business activities conducted by Council please refer to Chapter 5 of this Report, see Note 25 'National Competition Policy' of the Financial Statements, on page 82.

### Executive Team Remuneration

The executive team comprises of the roles of Chief Executive Officer, General Manager (Corporate Services), General Manager (Community and Liveability) and General Manager (Infrastructure Services).

Incumbents in these roles were engaged under performance-based maximum term contract arrangements. Gross remuneration packages for the 2021-22 financial year total \$1,260,289. Three remuneration packages were within the range \$200,000 - \$300,000 and three remuneration packages were within the range of \$300,000 - \$400,000.

(Note: There are four Executive positions in Council's structure, however there were multiple incumbents in some of the roles at different times during the financial year and for varying periods of time. Two of the incumbents left Council during the financial year).

### Overseas Travel

No employees travelled overseas in an official capacity during the 2021-22 period.

### Identifying Beneficial Enterprises

During this reporting period Council did not conduct any beneficial enterprises. A beneficial enterprise is one that Council considers is directed to benefit, and can be reasonably expected to benefit, the whole or part of the local government.

### Administrative Action Complaints and Complaints Management Process

As part of Council's commitment to dealing fairly with administrative action complaints, all administrative action complaints are processed in accordance with Council's complaint management system which is supported by the Complaints Management - Council Policy and associated standard work practice. This ensures objective review of complaint matters, and assessment of complaint outcomes, prior to the complaint outcome being provided to the customer. Council ensures that customers are aware of their rights to access the internal review process, and to external third-party review mechanisms, should they remain dissatisfied with the outcome of their complaint matter.

Council applies the principles of the *Human Rights Act 2019* when assessing and dealing with complaint matters to ensure that Council is acting compatibly with human rights and gives proper consideration to human rights before making a decision.

Council is committed to maintaining a collaborative working relationship with the Queensland Ombudsman's Office and other external review agencies.

The Complaints Management team is responsible for capturing and identifying complaints received by Council, either by phone, email or in writing, and for ensuring they are responded to within agreed timeframes. The team also facilitates continuous improvement throughout the organisation by engaging with departments to resolve complaints. View Council's Customer Service Charter by following this link to our website [www.wdrc.info/council-documents](http://www.wdrc.info/council-documents)

The Complaints Management Policy and Standard Work Practice were not due for periodic review during the 2021-22 financial year having been reviewed during 2020-21.

Complaints received by Council during 2021-22 are listed in the table below.

The number of administrative action complaints made to Council:	28
The number of administrative action complaints resolved by Council under the complaint's management process:	28
The number of administrative complaints not resolved by the local government under the complaint's management process:	0
The number of administrative action complaints not resolved that were made in a previous financial year:	0
The percentage of administrative action complaints resolved within agreed timeframes:	93%

### Human Rights

Council has an adopted Human Rights Policy and is committed to protecting and promoting human rights by ensuring that human rights are considered when making decisions, interpreting and applying the law, developing policy, and providing services to our community. Council also recognises that it has an important role to play in complying with Queensland's *Human Rights Act 2019* through its actions, decisions, proposals and recommendations.



Under the *Human Rights Act 2019* a person who believes that Council has breached their human rights obligations has the right to complain by raising a complaint directly with Council. Under section 65 of the *Human Rights Act 2019*, Council has forty-five (45) business days to respond, after which the individual can make a formal complaint to the Queensland Human Rights Commission if the complaint has not been responded to or the person is not satisfied with Council's response. During 2021-22, Council received one (1) human rights complaint.

### Public Sector Ethics - Reporting

Council has a formal Code of Conduct and Standards of Conduct for staff which incorporates the ethics, principles and obligations under the *Public Sector Ethics Act 1994*. Mandatory induction training for all new employees includes details on the requirements and obligations for all staff under the Code of Conduct. All new employees completed corporate induction training during 2021-22. Council continued to deliver education and awareness sessions to all employees on their ethical obligations as part of Council's commitment to the highest standards of public sector ethics.

### Internal Audit

The internal function is established under section 105 of the *Local Government Act 2009*. It is an integral component of Council's corporate governance framework designed to add value to our business operations through continuous improvement. Internal audit is an independent function within the Council reporting to the Chief Executive Officer and the Audit Committee. The purpose of the internal audit function is to independently examine and evaluate Council processes and activities and provide assurance to Council, management and the community. Council has contracted Crowe Australasia to perform internal audit functions.

The scope of internal audit work to be performed each financial year is set out in the Three-Year Strategic Internal Plan, which is endorsed by the Chief Executive Officer, the Audit Committee and approved by Council. Audit and other activities undertaken during the 2021-22 financial year included:

- Internal Audit of Accounts Payable & Accounts Receivable
- Internal Audit of Fleet Management
- Internal Audit of Aerodromes
- Internal Audit of Enterprise Risk Management

### The Audit Committee

The Audit Committee comprised two Councillors and one independent member and operates under a 'Terms of Reference' adopted by Council.

Audit Committee members are as follows:

- Councillor Ian Rasmussen (Chair)
- Councillor Paul McVeigh (Member)
- Mr Robert Bain (Independent Member)

The primary objective of the Audit Committee is to assist Council to fulfil its obligations in corporate governance and the oversight of financial management and reporting responsibilities imposed under sections 208 to 211 of the *Local Government Regulation 2012*. The Committee met three times during the financial year, examined draft financial statements, and reviewed reports presented by internal audit and external audit.

## Registers

The following registers were kept by Council during the reporting period:

- Local Laws Register (s31 of LGA 2009)
- Councillor Conduct Register (s150DX-S150DZ of LGA 2009)
- Register of Cost Recovery Fees and Commercial Charges (s98 of LGA 2009)
- Asset Register (s104 LGA 2009)
- Delegation Register (S260 of LGA 2009)
- Register of Interests (s201A, 201B & 201C of LGA 2009)
- Business Activities Register (s56 of LGR 2012)
- Register of Pre-Qualified Suppliers
- Register of Roads (s74(1)(b) of LGA 2009)
- Environmentally Relevant Activities



- Registers under the Plumbing and Drainage Regulation 2019:
  - Permits and Inspection Certificates (s112)
  - Testable backflow prevention devices (s113)
  - Greywater use and onsite sewage facilities (s114)
  - Show cause and enforcement notices (s115)

## Financial Accountability

The Financial Statements of Western Downs Regional Council for the period 1 July 2021 to 30 June 2022, as audited by the Auditor-General can be found in Chapter 5 of this Report, from page 41.

For the Current Year Financial Sustainability Statement as well as the Unaudited Long-Term Financial Sustainability Statement for 2021-22, please refer to the General Purpose Financial Statements, on pages 89 and 94 respectively.

The Auditor-General's audited reports about our Financial Statements and the Current Year Financial Sustainability Statement can be found in Chapter 5 of this Report on pages 86 and 91 respectively.

## Community Financial Report

A simplified version of our financial performance for the period 1 July 2021 to 30 June 2022 as reported in our audited Financial Statements is provided in the Community Financial Report presented in Chapter 1 of this Report, pages 8 to 11.

## Grants to Community Organisations

Donations and grants paid to community organisations for the year totalled \$214,639.

## Rates Rebate and Concessions

During 2021-22 special charges totalling \$89,334 were levied with respect to the maintenance of roads related to quarries.

In accordance with Council policy, pensioner concessions of \$394,632 and community organisation concessions of \$438,149 were granted during the year.

More detail is provided in Chapter 5 of this Report, in the Financial Statements under Note 3 'Rates, Levies and Charges' on page 50.

## Changes to Council Tenders

No invitations to change tenders under section 228(7) of the *Local Government Regulation 2012*, were made during the 2021-22 financial year.

## Cooperation Between Local Governments

Western Downs Regional Council continued its involvement in the Queensland Water Regional Alliance Program (QWRAP). Council's commitment of \$9,784, including project delivery costs and approximately \$5,159 in-kind contribution, was spent during 2021-22 in the execution of the Alliance models for utilities. The Alliance examines the benefits of a collaborative approach to particular utilities operations.

Council has also formally resolved to join a new water alliance with four other Queensland Council's and one New South Wales Council. The inaugural meeting of the water alliance was attended by representatives of Toowoomba, Western Downs, Southern Downs, Goondiwindi, Lockyer Valley and Tenterfield Councils.

In addition, while not a formal arrangement as defined in the Regulation, Council maintained an ongoing arrangement with South Burnett Regional Council with regard to skip bin collection and soil testing, and with Toowoomba Regional Council for building certification.

At the January 2021 Ordinary Meeting, Council resolved to enter into a Memorandum of Understanding with Toowoomba Regional Council to investigate and pursue a joint procurement exercise for waste and recycling collection and recycling process services.

## National Competition Policy

The financial performance of Council activities subject to competition reforms, namely commercial works and waste management, for the current and previous financial years is provided in Chapter 5 of the Report within the Financial Statements, see Note 25, under 'National Competition Policy' on page 82.

At its Special Meeting held on 23 June 2021, Council resolved to:

1. Adopt the 2021/22 Code of Competitive Conduct - Council Policy.
2. Apply a Community Service Obligation Payment to the following businesses for 2021/22
  - a. Water,
  - b. Waste Management, and
  - c. Saleyards.
3. Adopt the 2021/22 Dividend Payment - Council Policy.
4. Receive dividend payments from the following businesses during 2021/22:
  - a. Commercial Works,
  - b. Gas,
  - c. Sewerage,
  - d. Quarry, and
  - e. Washdown Bays.



During the reporting period no competitive neutrality complaints were received.

## Particular Resolutions

Council made no resolution during the year under section 206(2) of the *Local Government Regulation 2012*, in relation to the value of Council non-current physical assets.

## Particulars of any direction given to commercial business units

Council's Code of Competitive conduct Policy and Dividend Policy are available on the following links:

Code of Competitive Conduct Policy: [www.wdrc.qld.gov.au/about-council/council-documents/policy-register/#C](http://www.wdrc.qld.gov.au/about-council/council-documents/policy-register/#C)

Dividend Policy: [www.wdrc.qld.gov.au/about-council/council-documents/policy-register/#D](http://www.wdrc.qld.gov.au/about-council/council-documents/policy-register/#D)

## Overall Performance Assessment

In Chapter 4 of this Report, the Chief Executive Officer provides and informed assessment of Council's overall performance against the Corporate Plan and annual Operational Plan, following the summary of the organisation's performance outcomes, on pages 28 to 33.



# CHAPTER 4: REPORTING PERFORMANCE

## Council's Strategic Direction

The Western Downs Regional Council's Corporate Plan 2021 -2026 sets out Council's vision through four strategic priorities. These priorities are underpinned by the key success drivers that Council has committed to achieve, and which guide our Operational Plan.

As Council is just one key stakeholder in the delivery of our communities' needs and expectations, the things Council is responsible for and contributes to, were identified and prioritised under each of the strategic priority areas; then programs and deliverables under each of the priority areas were identified to guide Council's operations for the term of this Corporate Plan.

Western Downs Regional Council is committed to delivering services, projects and initiatives in response to the strategic priorities.

Council aims to play a primary role in building confidence in our communities and securing opportunities for our region.

### Advocacy: A Regional Voice

- To actively seek and foster strategic partnerships

- For a long term domestic and industrial water supply for our region
- For health and social services that ensure 'Whole of Life' care for our residents
- For a safe and well maintained state and federal road network
- For telecommunications and digital connectivity to support and advance our region

### Measuring Our Success

Alignment to these four strategic priority areas and to our Vision, Values, Advocacy and Risk strategies flows into Council budgets and operational work priorities for each financial year which is measured quarterly.

This Annual Report provides our community and key stakeholders with a broad overview and assessment of our performance for the 2021-22 financial year against our Corporate Plan 2021-2026 and the Chief Executive Officer's assessment of our progress. Highlights of important achievements under each strategic theme are shown overleaf in the Performance Outcome Highlights table.

### A Diverse Region at the Forefront of the Changing World:

#### Strong Diverse Economy (Progress)

- We aggressively attract business and investment opportunities
- Our region is a recognised leader in agribusiness, energy and manufacturing
- We deliver water security to enable future economic growth
- We proactively advance our region as a tourism destination
- Our businesses and industry actively live and buy local

#### Active Vibrant Community (People)

- We are a happy, inclusive community, proud of where we live
- Our people of diverse backgrounds and ages are united by social, cultural and sporting activities
- Our parks, open spaces, and community facilities are alive with activities that connect our communities
- We are a strong sustainable community supported by volunteers
- We empower communities to develop local initiatives and events

#### Quality Lifestyle (Place)

- Our residents are provided with modern infrastructure and quality essential services across our region
- Our recreational spaces and community facilities are attractive, safe and accessible
- We invest in safe, well maintained road networks to connect our region and support economic activities
- We attract families to live, work, prosper and play in our region
- We take pride in our natural assets, environment and heritage

#### Sustainable Organisation (Performance)

- We are recognised as a financially intelligent and responsible Council
- We focus on proactive, sustainable planning for our future
- Our people are skilled and values-driven to make a real difference
- Our agile and responsive business model enables us to align our capacity with service delivery
- Our effective asset management ensures that we responsibly maintain our community assets



# Performance Assessment

An informed assessment of how Council performed in the 2021-2022 financial year against each of the strategic priorities expressed in the Corporate Plan 2021 - 2026, has been compiled by the Chief Executive Officer and is shown on the following pages.

## Assessment Key

The following symbols indicate our progress at the end of the 2021-22 financial year:



Strong Diverse Economy (Progress)		
We aggressively attract business and investment opportunities	• Identify and enable opportunities that facilitate new investment to the region.	✔
	• Identify and enable activities that facilitate the development of local business and business leaders, both new and existing.	✔
	• We will have meaningful engagement with the development industry to seek feedback and encourage quality development outcomes.	✔
	• Review Dalby CBD Major Centre Zone.	📅
	• Our development assessment timeframes will be amongst the best in the state.	✔
Our region is a recognised leader in agribusiness, energy and manufacturing	• Improve access to Council's road network for Higher Productivity Vehicles (HPV) to benefit local businesses.	✔
	• Identify and enable opportunities that facilitate industry leading trials or activity in the region.	✔
We deliver water security to enable future economic growth	• Augment available water supply through the development of treated water capacity.	📅
	• Support community drought resilience through promotion of Council's Rainwater Tank Incentive Program.	✔
We proactively advance our region as a tourism destination	• Value-add and enable the growth and development of tourist markets to increase visitor night stay in the region.	✔
	• Value-add and enable the growth and development of the region's destination events through strategic stakeholder engagement and tourism marketing.	✔
	• Enable increased capacity within our tourism product across our region.	✔
	• Attract new destination events to be held in the region.	⚙️
Our business and industry actively live and buy local	• Identify opportunities that attract and retain skilled workers and their families to our region's towns.	✔
	• Residential and community based health services buy local where possible; recruit and encourage staff to live local and support local communities.	🔄
	• Enable businesses and industry to live local and buy local	📅
	• Major projects drive economic growth, sustainability and local spend.	✔
	• Commit where possible within the value for money philosophy that spend is local.	🎯

Active Vibrant Community (People)		
We are a happy, inclusive community, proud of where we live	• Our team will continue to work with the community to improve attitudes towards responsible pet ownership and to improve the behaviours of animal owners.	✔
	• Deliver a campaign to educate the local community on what to explore and experience within the Western Downs region.	✔
	• Strong community relationships, genuine community engagement and effective communications are at the centre of our decision making.	✔
	• Actively demonstrate meaningful communication by ensuring residents have access to the latest Council news and information.	✔
	• Environmental health programs focus on improving community health, safety and amenity outcomes.	📅
Our people of diverse backgrounds and ages are united by social, cultural and sporting activities	• The Western Downs is recognised as a region that is culturally thriving and active.	✔
	• In partnership with community support; deliver events that encourage social connection.	✔
Our parks, open spaces, and community facilities are alive with activities and connect our communities	• Major community venue use is optimised and strategically marketed to attract events and activities.	✔
	• Maximise opportunities for community groups to be actively involved in our community facilities, build capacity and self-reliance.	⚙️
We are a strong sustainable community supported by volunteers	• Health Services staff acknowledge the contribution of volunteers that enhances the consumer experience and actively seek to welcome new volunteers into its services.	🔄
	• Active volunteer involvement and engagement promotes enduring social, cultural and economic value to Council, the community and visitors to the region.	📅
We empower communities to develop local initiatives and events	• Our communities have access to appropriate grants and funding.	✔
	• Our community events are well promoted.	✔



Quality Lifestyle (Place)		
Our residents are provided with modern infrastructure and quality essential services across our region	• Improve and maintain the reliability of water supply and sewerage networks regionally.	✔
	• A well connected and maintained footpath network, links our residents to key community facilities and CBD.	✔
	• Modern utilities assets reduce maintenance expenditure and provide reliable customer service.	📅
	• An up-to-date 10 year Capital Works Program is in place.	✔
	• Health Services staff advocate for a suite of regional health services providing the community with 'whole of life' care; target State, Federal government and private investment in health services in the Western Downs region and promote regional interagency collaboration.	🔄
	• Western Downs Regional Council will deliver safe, inclusive, quality care and services throughout its aged care services. In collaboration with the organisations governing body, services will be delivered to the community under a strong organisation and clinical governance framework, demonstrated by ongoing compliance with the <i>Aged Care Act 1997</i> , the <i>National Disability Insurance Scheme (NDIS) Act 2013</i> and other relevant legislation.	🔄
Our recreational spaces and community facilities are attractive, safe and accessible	• We will continue to deliver better compliance outcomes and on ground improvement at our waste facilities, and we will continue to focus on reducing the impact of the waste levy legislation.	✔
	• A network of valued playground and open spaces are provided which are safe and well maintained.	✔
	• Our residents have an awareness of the high quality recreational spaces offered in the region.	✔
	• Raise Council's profile and capability to offer high quality facilities and event spaces.	🎯
	• Deliver quality public WiFi in significant community places.	✔
• Maintain a reliable CCTV network that enhances public safety in our major town centres.	✔	

We invest in safe, well maintained road networks to connect our region and support economic activities	• An up-to-date 10 year Capital Works Program is in place.	✔
	• Our Transport Asset Capital Works Program is delivered in time and on budget.	📅
	• Our transport assets are well maintained and our systems for maintenance are appropriate.	✔
	• Our design program is aligned to enable capital works programs to be delivered.	🎯
	• Our quarry material production is to be well planned and aligned to works programs.	✔
	• We will continue to implement systems to improve road safety across the region through Traffic Advisory Committee (TAC) to maintain safe road network.	✔
We attract families to live, work, prosper and play in our region	• The Western Downs is recognised as a region that is culturally inclusive, and welcomes new residents.	✔
	• We enhance the region's character, local identity, and liveability through strategic placemaking, and the activation and revitalisation of public space.	🎯
We take pride in our natural assets, environment and heritage	• We will continue to seek external funding for Rural Services programs that assist landholders to address priority weeks and agricultural productivity improvements.	✔
	• We will advocate to ensure our environment is protected during resource and energy sector operational and post closure phases.	⚙️
	• We will investigate innovative approaches to landfill rehabilitation at some of Council's small landfill sites.	✔
	• Our natural assets within the urban amenity and iconic open spaces across the region are preserved, protected and enhanced now and for the future.	✔
We take pride in our natural assets, environment and heritage	• We will continue to seek external funding for Rural Services programs that assist landholders to address priority weeks and agricultural productivity improvements.	✔
	• We will advocate to ensure our environment is protected during resource and energy sector operational and post closure phases.	⚙️
	• We will investigate innovative approaches to landfill rehabilitation at some of Council's small landfill sites.	✔
	• Our natural assets within the urban amenity and iconic open spaces across the region are preserved, protected and enhanced now and for the future.	✔





Sustainable Organisation (Performance)		
We are recognised as a financially intelligent and responsible Council	• Effective contract management mitigates risk and achieves value for money.	🔄
	• Drive business improvement through a collaborative, risk based, internal audit function.	✅
	• Maintain a robust Enterprise Risk Management Framework.	✅
	• Fraud and corruption control measures are actively supported and promoted.	✅
	• Effective management of safety standards to meet statutory obligations.	✅
	• Ensure employee payroll system and processes are compliant.	✅
	• Effective payroll management of workers compensation claims.	✅
	• Submission and publishing of Annual Financial Statements.	✅
	• Adoption of the 2022/2023 Budget within statutory timeframes.	✅
	• Active monitoring of financial progress versus budget across the year.	✅
	• Oversee implementation of the Fleet Risk Management Plan.	✅
	• Assess the budget against Council's long-term financial forecast.	✅
	• Council owned and operated Health Services deliver financially responsible models to our local communities.	🔄
We focus on proactive, sustainable planning for the future	• A strategic approach will be taken for development compliance programs, with a focus on programmed audit projects.	✅
	• Robust management ensures the future viability of the saleyards.	✅
	• Continuously developing and improving Asset Management Plans, and long-term financial forecasts to ensure that Council is sustainable for the long-term.	✅
Our people of are skilled and values-driven to make a real difference	• Promote Council as a strong employer of choice in the Western Downs.	✅
	• Continue to increase capacity of in-house legal team to handle a greater volume and complexity of matters.	✅
	• Raise the profile of health and safety as a primary consideration across the organisation.	✅
	• Embed proactive safety indicators within the operational processes of the organisation.	⚙️
	• Promote 'Safety First' as a driver for innovative, safe and effective operations of the organisation.	⚙️
	• Employee attendance indicates strong participation in the operations of the organisation.	⚙️
	• Offer attractive and effective 'career starting' training and development programs within the local region.	✅
	• Managers are regularly updated in trending people management methods and technologies and supported in adopting new forward facing, innovative strategies.	✅
	• Continuous learning and development programs promote an engaged, capable, accountable and innovative workforce.	✅
	• Employees are skilled, innovative and accountable.	⚙️

Our agile and responsive business model enables us to align our capacity with service delivery.	• Our preventative maintenance program provides a reliable and safe natural gas network.	⚙️	
	• Our fleet is utilised effectively and efficiently.	✅	
	• We will maximise opportunities to collaborate with neighbouring local governments on shared delivery projects.	✅	
	• A robust asset maintenance program delivers safe, fit for purpose facilities.	⚙️	
	• Customer feedback is utilised to drive high satisfaction in users of our major venues.	✅	
	• Promote Council as an essential and accountable service provider in the community.	✅	
	• We deliver high quality customer service outcomes that meet the expectations of our community.	⚙️	
	• Integrate the 2021 - 2026 Corporate Plan across the organisation.	✅	
	• Core corporate systems and network is available to support delivery of Council services.	✅	
	• Enable efficiencies via mobilisation and collaboration, through the provision and management of devices and connectivity.	✅	
	• Ensure tools and processes are in place to protect Council's information assets.	✅	
	Our effective asset management ensures that we responsibly maintain our community assets	• Measurement of current transport asset renewal and upgrade unit rates is completed to enable sound financial planning and management of Council's Transport Capital Works Program.	✅
		• Council's transport infrastructure maintenance practices enable sound financial management of maintenance budgets and operating funds.	✅
• Work with Asset Management Plan owners to action AMP improvement plans to ensure effective asset management is maintained.		🔄	
• Our fleet is agile and reflective of business requirements.		✅	
• Facility projects are delivered to meet the expectations of stakeholders.		🔄	
• Council sustainably develop and maintain facilities that respond to changing community needs.	🔄		
• We have a mature asset management model and comprehensive processes which ensure our infrastructure is delivered in accordance with the Facilities Asset Management Plan.	✅		
• Effectively manage property assets to maximise value to Council and the community.	✅		



# Performance Highlights



## Strong Diverse Economy (Progress)

- Twenty-six (26) businesses attended the free Business Coaching Program Workshop across the region.
- The Protein Jobs Fair was successfully held in September 2021 in collaboration with Toowoomba Surat Basin Enterprise.
- Procurement Roadshows provided local businesses an insight into Council's procurement processes and opportunities for working with Council.
- Reinvigoration of the Miles Visitor Information Centre and Historical Village Museum was delivered as part of Council's COVID-19 Recovery Package, with funding provided by the Queensland Government's COVID Works for Queensland program.
- Construction commenced on a new mountain biking precinct, 'Russell Park Mountain Bike Trail Project' at the Bunya Mountains, under Council's COVID-19 Recovery Package in partnership with the Australian Government's Local Roads and Community Infrastructure Program.
- The first 'Accelerate Manufacturing: Western Downs Manufacturing Conference' was held in May, bringing together local businesses, industry experts and stakeholders to promote further growth across the manufacturing sector.
- Twenty three (23) businesses participated in free 'How to Google My Business' workshops, delivered with local Chambers. Workshops provided tools for businesses to be more visible online.
- Miles and Dalby Visitor Information Centres have been chosen by Tourism Events Queensland to be used as case studies as benchmark centres.
- A strong volunteering community contributed a total of two thousand eight hundred and thirty-eight (2,838) volunteer hours.
- Council successfully attracted the 36<sup>th</sup> National CMCA Rally for October next year, bringing up to 1,000 motorhomes to the region.
- Two great new development platforms have been rolled out by Council, allowing our community to better access the development approval system. The platforms include online mapping and introduced property reports that allow landholders and prospective developers get a better understanding of the zones and precincts that apply to land in the Western Downs. Council has also introduced Development-i; this system provides the public a fully transparent insight into developments occurring in the Western Downs.
- The 'Housing and Land Incentive Policy' was introduced in June, encouraging residents and developers to construct units and subdivide land
- The Dalby Regional Saleyards finished the financial year selling 161,792 head of cattle, with a strong cattle market delivering a turnover surpassing \$300 million.

## Active Vibrant Community (People)

- Chinchilla Botanic Parkland continues to gain international recognition with the recent presentation of its third consecutive Green Flag Award.
- The Jandowae Timbertown tree sculpture, a three-metre-tall tourist attraction, was completed with funding awarded from Council's festival placemaking initiative for longstanding, promotional art pieces which celebrate community events.
- '10 Artists: Chapter Two' filming and post production was completed.
- Delivered recurring community events across the region: FlickerFest, Drive-in Movies, Youth Month, Groovin' from the Garage, Pool Parties, Australia Day, Groovin' in the Garden and ANZAC Day.
- A number of community organisations and individuals were successful in receiving grant funding totalling \$214,639.
- Libraries delivered five hundred and sixty-two (562) public programs which were attended by four thousand, three hundred and thirty (4,330) residents. This included two hundred and thirty-three (233) residents assisted in setting up MyGov, Medicare & Qld Check In App to help protect our community.
- 'Create Your Headspace' and 'Shout Out! Youth Storytelling Competition', youth initiatives funded by the Queensland Government's Mental Health and Wellbeing Package, were launched.
- Curated Council's first touring art exhibition 'Responses to the Bunya'. This exhibition features a selection of works from twenty-four (24) local artists and will tour the Southern Queensland region.
- The Inaugural 'Annual Dance Affair', a new event, sashayed into the region.
- 'Words Out West' was successfully delivered for a third year, with six hundred and thirty-five (635) attendees and one thousand, eight hundred and eighty (1,808) students across fifteen (15) events).
- In collaboration with the University of Queensland and famed author Isobelle Carmody, 'My Future Town' creative workshops were delivered across the region to high school students.
- Council has continued to expand the delivery of community information, through renewed community engagement and eNewsletter which has doubled its reach in the last twelve (12) months.
- Council again hosted Not Just for Laughs, a three-show comedy roadshow in Kaimkillenbun, Brigalow and Condamine, with comedians Mark McConville and Kate Davidson. Queensland champion in support of local men's mental health Mary O'Brien from *Are You Bogged Mate?* also shared her wisdom. These events were made possible with funding from the Queensland Government.





### Quality Lifestyle (Place)

- Council signed off on a major contract to transfer its aged and community care services to accredited not-for-profit provider Southern Cross Care Queensland (SCCQ).
- Lake Broadwater, Chinchilla Weir and Caliguel Lagoon Revitalisation projects completed which included new entry signage, formalised vehicle & RV parking, powered sites, camp kitchen, fire pits, shelters, picnic seating, BBQs, amenities block with shower (Lake Broadwater), lighting and landscaping.
- The first stage of the Waterloo Plain Environmental Park Revitalisation Project at Wandoan was completed in partnership with the Queensland Government's COVID Works for Queensland program. This project was delivered utilising local Wandoan and Western Downs suppliers and contractors and includes a new concrete footpath, water bubbler, picnic & BBQ settings and landscaping.
- Tara Lagoon Parklands Revitalisation project completed with a beautiful new boardwalk over the lagoon, new concrete footpaths, water bubblers, fire pits, picnic settings, landscaping, new barbeque areas, new amenities and new bitumen roads.
- Miles \$6 million CBD Streetscape Revitalisation Project was completed. Not only does it look fantastic with feature lighting, colourful landscaping, tables and stools, public art and improved pedestrian linkages; there is also an interactive 'Soundtrails' which tells the story of the people, places and industries that make up Miles. This was in partnership with the Federal Government's COVID Works for Queensland program.
- Two new waste transfer station upgrades have been delivered at Bell and Ducklo to improve facilities for the local community and enhance environmental outcomes for the region.
- A disabled toilet block with a concrete access ramp has been installed in Wandoan.
- '120 Cunningham Street' project has commenced.
- 'Chinchilla Cultural Precinct' project has commenced.
- Wandoan Soldier Settlers Avenue of Honour Project took out the Community Shaping category at the Local Government Managers Australia Queensland Awards for Excellence. This was the second year in a row that Council won this category.
- Received national recognition at the Local Government Professionals Australian National Federation Award, winning the Community Service Award for the 'Shaping Stronger, More Resilient and Productive Communities' project.
- Thirteen (13) kilometres of underground stormwater infrastructure was cleaned, with a CCTV inspection and condition rating survey in progress.
- Council's rainwater tank rebate scheme was expanded to prioritise rural communities with non-potable water supplies.
- The WDRC Disaster Dashboard received strong community support especially through the 2021-22 flooding events.

- Flood damage to Council's road network was identified and collated for both temporary and permanent restoration works to be delivered. Roads were managed to ensure community safety remained our highest priority with updates provided through Council's Disaster Dashboard.
- Council delivered substantial roadworks across the region:
  - one hundred and twenty-one thousand, nine hundred and forty-nine (121,949) square metres of sealed pavement repairs undertaken to ensure our roads are safe and well maintained;
  - one million and five hundred and seventy thousand (1,570,000) litres of bitumen sprayed as part of Council's 2021-22 regional reseal program to renew the bitumen surfacing on both rural and urban roads across the region;
  - two thousand, two hundred and twenty-eight (2,228) tonnes of pothole patching performed;
  - twenty-one thousand, nine hundred (21,900) tones of gravel patching;
  - eight thousand and twenty-one (8,021) kilometres of patrol grading;
  - five hundred and eighty-two (582) kilometres of heavy formation grading; and
  - four hundred and twenty-four (424) signs and guideposts replaced.
- Fifty-seven (57) kilometres of local roads were upgraded or reconstructed, ensuring Council roads are safe and well maintained.
- One hundred and eighteen (118) kilometres of unsealed roads were gravel resheeted across the region providing safe all-weather access for road users.
- One thousand, seven hundred and seventy-five (1,175) lineal metres of concrete footpath enabling all weather pedestrian access from residential areas to CBDs and key community facilities.
- An asset condition physical survey was completed on Council's local road and footpath network, providing up-to-date condition rating of these assets.
- Construction works continuing to restore Council's transport network from the February 2020 riverine flooding. Seven (7) works packages across the region completed, one (1) in progress, three (3) awarded awaiting contractors' availability to commence. This flood damage package is being completed in partnership with Queensland Reconstruction Authority (QRA) as part of the Disaster Recovery Funding Arrangements (DRFA)'s Reconstruction of Essential Public Assets (REPA) funding program. All works packages are being delivered by skilled local Western Downs contractors, 100% local spend.
- Seventy-six thousand, five hundred and twelve (76,512) tonne of gravel and twenty-five thousand nine hundred and eighteen (25,918) tonnes of aggregate issued for year from Jimbour Quarry for road works around the region.
- Three hundred and twenty-five thousand and twenty-five (325,025) tonnes of gravel issued for the year from mobile pits for roadworks around the region.

### Sustainable Organisation (Performance)

- Winners of the Non-Profit / Local Government category at the 2021 Australian Service Excellence Awards (Customer Service Institute of Australia) for our commitment to providing quality customer service.
- Mitch Pogan won the Bob Marshman Trainee of the Year at the State Finals and went on to be a finalist in the Australian Training Awards during November.
- Council won the Large Employer of the Year Award at the Queensland Training Awards State Finals.
- Council hosted the Rural Management Challenge and LGAQ Regional Branch Forum in October with the WDRC team 'Western Downs Experience' winning the 2021 Rural Management Challenge.
- One hundred and eighty-five (185) applications were received for the 2022 Kickstart your Career campaign. The recruitment for these roles has now been completed.
- Council adopted the 2022-23 Budget with a focus on maintaining quality services and delivering future-focused initiatives to support continued growth.
- Water and wastewater treatment assets were upgraded or renewed in multiple areas across the region. The list included blowers, bore pumps, reservoir refurbishments, water meters and membranes.
- Critical water main replacements were completed in around Chinchilla's Central Business District as part of Council's water mains replacement program. The annual sewerage relining program has continued to replace and repair Council's extensive underground sewer network to minimise blockages and customer interruptions.



- A partnership project with Dalby Regional Saleyards agents realised the purchase of fifty (50) new hay feeders and installation of a replacement crush and yard modifications to better suit user needs.
- Council was selected as the South West Queensland Regional winner in the quarterly Local Government Managers Australia Risk Excellence Awards for 2022. This award is in recognition of Council's Risk Reporting Framework.
- Fifty-nine (59) employees were presented with length of service awards, ranging from ten to fifty (50) years.
- Twenty-three (23) Trainees and Apprentices commenced.
- Sixteen (16) Community Spirit Bursary placements within various departments of Council.
- Fifty-three (53) new employees were inducted into the organisation.
- Seventeen (17) work experience students hosted from high schools across the region.
- Six employees enrolled in Women in Leadership programs under scholarships.
- Council hosted the AFL Sportsready Virtual Graduation & Awards celebration where Nicole Egel was announced the winner of the First Nations Trainee of the Year Award for Qld and Northern NSW.
- Thirty-three (33) Safety Walks conducted across the region (Chinchilla, Wandoan, Miles, Warra, Tara, Dalby).
- Safe Work Month in October focussed on Driver Awareness (reversing, distraction and fatigue) and Heat Stress Management.

# CHAPTER 5: FINANCIAL REPORTING



## Western Downs Regional Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2022



## Western Downs Regional Council

## General Purpose Financial Statements

for the year ended 30 June 2022

Contents	Page
<b>Primary Financial Statements</b>	
Statement of Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
<b>Notes to the Financial Statements</b>	
1 Information about these financial statements	6
2a Council functions – component descriptions	7
2b Council functions – analysis of results by function	8
3 Revenue	9
4 Interest and other income	11
5 Capital income	12
6 Employee benefits	12
7 Materials and services	13
8 Finance costs	13
9 Capital expenses	14
10 Cash, cash equivalents and financial assets	15
11 Receivables	15
12 Inventories	20
13 Non-current assets held for sale	20
14 Property, plant and equipment	22
15 Contract balances	28
16 Leases	29
17 Payables	32
18 Provisions	32
19 Asset revaluation surplus	34
20 Commitments for expenditure	35
21 Contingent liabilities	36
22 Superannuation – regional defined benefit fund	36
23 Reconciliation of net result for the year to net cash inflow/(outflow) from operating activities	37
24 Financial instruments and financial risk management	38
25 National competition policy	41
26 Transactions with related parties	42
<b>Management Certificate</b>	<b>44</b>
<b>Independent Auditor's Report</b>	<b>45</b>
<b>Current Year Financial Sustainability Statement</b>	<b>46</b>
Certificate of Accuracy	47
Independent Auditor's Report - Current Year Financial Sustainability Statement	48
<b>Unaudited Long Term Financial Sustainability Statement</b>	<b>49</b>
Certificate of Accuracy - Long Term Financial Sustainability Statement	51

## Western Downs Regional Council

## Statement of Comprehensive Income

for the year ended 30 June 2022

	Notes	2022 \$ '000	2021 \$ '000
<b>Income</b>			
<b>Revenue</b>			
<b>Recurrent revenue</b>			
Rates, levies and charges	3a	101,225	97,330
Fees and charges	3b	8,517	6,759
Sales revenue	3c	23,219	26,063
Grants, subsidies, contributions and donations	3d(i)	29,014	24,209
<b>Total recurrent revenue</b>		<b>161,975</b>	<b>154,361</b>
<b>Capital revenue</b>			
Grants, subsidies, contributions and donations	3d(ii)	19,512	20,766
<b>Total capital revenue</b>		<b>19,512</b>	<b>20,766</b>
<b>Other income</b>			
Rental income	16	1,387	1,803
Interest received	4a	1,484	1,146
Other income	4	1,291	1,084
Capital income	5	693	679
<b>Total other income</b>		<b>4,855</b>	<b>4,712</b>
<b>Total income</b>		<b>186,342</b>	<b>179,839</b>
<b>Expenses</b>			
<b>Recurrent expenses</b>			
Employee benefits	6	51,299	52,252
Materials and services	7	66,412	49,695
Finance costs	8	749	5
Depreciation and amortisation:			
- Property, plant and equipment	14	43,183	43,458
- Intangible assets		21	42
- Right of use assets	16	209	104
<b>Total recurrent expenses</b>		<b>161,873</b>	<b>145,556</b>
<b>Other expenses</b>			
Capital expenses	9	20,344	7,828
<b>Total other expenses</b>		<b>20,344</b>	<b>7,828</b>
<b>Total expenses</b>		<b>182,217</b>	<b>153,384</b>
<b>Net result</b>		<b>4,125</b>	<b>26,455</b>
<b>Other comprehensive income</b>			
<b>Amounts which will not be reclassified subsequently to the operating result</b>			
Increase / (decrease) in asset revaluation surplus	14	53,497	(6,011)
Impairment (loss) reversal relating to property, plant and equipment		-	67
<b>Total other comprehensive income for the year</b>		<b>53,497</b>	<b>(5,944)</b>
<b>Total comprehensive income for the year</b>		<b>57,622</b>	<b>20,511</b>

The above statement should be read in conjunction with the accompanying notes and Significant Accounting Policies.

## Western Downs Regional Council

## Statement of Financial Position

as at 30 June 2022

	Notes	2022 \$ '000	2021 \$ '000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	10	230,463	201,044
Receivables	11	18,238	18,673
Inventories	12	4,887	4,845
Contract assets	15	974	1,762
Non-current assets classified as held for sale	13	499	–
<b>Total current assets</b>		<b>255,061</b>	<b>226,324</b>
<b>Non-current assets</b>			
Right of use assets	16	640	421
Property, plant and equipment	14	1,526,226	1,485,585
Intangible assets		1,313	1,372
<b>Total non-current assets</b>		<b>1,528,179</b>	<b>1,487,378</b>
<b>Total Assets</b>		<b>1,783,240</b>	<b>1,713,702</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables	17	16,288	15,334
Contract liabilities	15	13,334	2,163
Lease liabilities	16	241	158
Provisions	18	12,084	12,938
<b>Total current liabilities</b>		<b>41,947</b>	<b>30,593</b>
<b>Non-current liabilities</b>			
Payables	17	2,494	–
Lease liabilities	16	463	305
Provisions	18	7,267	9,357
<b>Total non-current liabilities</b>		<b>10,224</b>	<b>9,662</b>
<b>Total Liabilities</b>		<b>52,171</b>	<b>40,255</b>
<b>Net community assets</b>		<b>1,731,069</b>	<b>1,673,447</b>
<b>Community equity</b>			
Asset revaluation surplus	19	734,178	680,681
Retained surplus		996,891	992,766
<b>Total community equity</b>		<b>1,731,069</b>	<b>1,673,447</b>

The above statement should be read in conjunction with the accompanying notes and Significant Accounting Policies.

## Western Downs Regional Council

## Statement of Changes in Equity

for the year ended 30 June 2022

	Notes	Asset revaluation surplus \$ '000	Retained surplus \$ '000	Total equity \$ '000
<b>2022</b>				
Balance as at 1 July		680,681	992,766	1,673,447
<b>Net result</b>		–	4,125	4,125
<b>Other comprehensive income for the year</b>				
- Increase/(decrease) in asset revaluation surplus	14	53,497	–	53,497
<b>Other comprehensive income</b>		<b>53,497</b>	<b>–</b>	<b>53,497</b>
<b>Total comprehensive income for the year</b>		<b>53,497</b>	<b>4,125</b>	<b>57,622</b>
<b>Balance as at 30 June</b>		<b>734,178</b>	<b>996,891</b>	<b>1,731,069</b>
<b>2021</b>				
Balance as at 1 July		686,625	966,311	1,652,936
<b>Net result</b>		–	26,455	26,455
<b>Other comprehensive income for the year</b>				
- Increase/(decrease) in asset revaluation surplus	14	(6,011)	–	(6,011)
- Impairment reversal relating to property, plant and equip.		67	–	67
<b>Other comprehensive income</b>		<b>(5,944)</b>	<b>–</b>	<b>(5,944)</b>
<b>Total comprehensive income for the year</b>		<b>(5,944)</b>	<b>26,455</b>	<b>20,511</b>
<b>Balance as at 30 June</b>		<b>680,681</b>	<b>992,766</b>	<b>1,673,447</b>

The above statement should be read in conjunction with the accompanying notes and Significant Accounting Policies.

## Western Downs Regional Council

### Statement of Cash Flows

for the year ended 30 June 2022

	Notes	2022 \$ '000	2021 \$ '000
<b>Cash flows from operating activities</b>			
Receipts from customers		142,628	138,278
Payments to suppliers and employees		(125,344)	(110,515)
		17,284	27,763
<b>Receipts</b>			
Interest and investment revenue received		1,484	1,146
Rental income		1,415	1,820
Non capital grants and contributions		30,289	24,912
<b>Payments</b>			
Borrowing costs		(436)	(130)
Net cash inflow from operating activities	23	50,036	55,511
<b>Cash flows from investing activities</b>			
<b>Receipts</b>			
Proceeds from sale of real estate assets		499	-
Proceeds from sale of property, plant and equipment		2,646	2,361
Grants, subsidies, contributions and donations		31,872	20,733
<b>Payments</b>			
Payments for property, plant and equipment		(55,447)	(52,226)
Payments for intangible assets		-	(113)
Net cash outflow from investing activities		(20,430)	(29,245)
<b>Cash flows from financing activities</b>			
<b>Payments</b>			
Repayments made on leases (principal only)		(187)	(85)
Net cash flow inflow/(outflow) from financing activities		(187)	(85)
Net increase/(decrease) in cash and cash equivalents held		29,419	26,181
plus: cash and cash equivalents - beginning		201,044	174,863
Cash and cash equivalents at the end of the financial year	10	230,463	201,044

The above statement should be read in conjunction with the accompanying notes and Significant Accounting Policies.

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 1. Information about these financial statements

##### (a) Basis of preparation

The Western Downs Regional Council is constituted under the Queensland *Local Government Act 2009* and is domiciled in Australia.

These general purpose financial statements are for the period 1 July 2021 to 30 June 2022. They are prepared in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*.

Council is a not-for-profit entity for financial reporting purposes and the financial statements comply with Australian Accounting Standards and Interpretations as applicable to not-for-profit entities.

These financial statements have been prepared under the historical cost convention except for the revaluation of certain classes of property, plant and equipment.

##### (b) New and revised Accounting Standards adopted during the year

Western Downs Regional Council adopted all standards which became mandatory for annual reporting periods effective from 1 July 2021. None of the standards had a material impact on reported position, performance and cash flows.

##### (c) Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective as at 30 June 2022. These standards have not been adopted by Council and will be included in the financial statements on their effective date. There are no standards that are not yet effective that are expected to have a material impact on the Council in future reporting periods.

##### (d) Estimates and Judgements

Council makes a number of judgements, estimates and assumptions in preparing these financial statements. These are based on the best information available to Council at the time. However, due to the passage of time, these assumptions may change and therefore the recorded balances may not reflect the final outcomes. The significant judgements, estimates and assumptions relate to the following items and specific information is provided in the relevant note:

- Valuation and depreciation of Property, Plant & Equipment - Note 14
- Impairment of Property, Plant and Equipment - Note 9
- Provisions - Note 18
- Contingent Liabilities - Note 21
- Financial instruments and financial assets – Note 24
- Revenue recognition - Note 3

##### (e) Rounding and Comparatives

The financial statements are in Australian dollars and have been rounded to the nearest \$1,000 unless otherwise stated.

Comparative information is restated for reclassifications, errors and changes in accounting policies to be consistent with the current reporting period unless permitted otherwise by transition rules in a new Accounting Standard.

##### (f) Volunteer Services

Council utilises volunteer services in its Visitor Information Centres, Libraries, Art Galleries and Museum. Council pays for all incidental costs that relate to these volunteer services. These have not been included in the financial statements as these services would not have been purchased if they not been donated.

##### (g) Taxation

Council is exempt from income tax, however Council is subject to Fringe Benefits Tax, Goods and Services Tax ('GST') and payroll tax on certain activities. The net amount of GST recoverable from the ATO or payable to the ATO is shown as an asset or liability respectively.

##### (h) Health Services Facility Transfer

On 8 December 2021 Council resolved at its ordinary meeting to transfer control of its aged care facilities to Southern Cross Care (SCC) at no cost to SCC with Council also providing SCC funding of \$11.88 million (shown in Note 7 Donations and Grants Paid) to modernise the facilities and assist with the transition. This transfer was to allow a provider that specialises in aged care to continue to run the facilities and provide benefits to the community. The transfer resulted in the reclassification of those assets to Non-current Assets Held for sale at the date of the resolution. The funding provided to SCC and the consequent impairment of the assets under AASB 5 resulted in increased expenses for Council in its 2021-22 statement of comprehensive income. These expenses are not expected to continue into future reporting periods. This transition also saw a significant reduction in staff provisions during the 2021-22 financial year with this continuing into the 2022-23 financial year. There will be a decrease in funding received, sundry income, wages, superannuation, and materials and services relating to this sector in the 2022-23 financial year.



## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 2a. Council functions – component descriptions

Details relating to the Council's functions / activities as reported in Note 2(b) are as follows:

##### General operations

Efficient and effective delivery of services that maintain and improve the liveability of the community.

##### Commercial works

Undertake works for customers on a commercial basis. Typically the works will relate to Non-Council owned roads, water and sewerage infrastructure.

##### Waste management

Provide and maintain an environmentally sensitive waste collection and disposal service.

##### Water services

Manage Council's water supply systems to achieve a reliable, safe and cost effective water service.

##### Gas supply

Manage the gas network to achieve a reliable, safe and cost effective gas supply service.

##### Dalby Regional Saleyards

Manage the operations of the Dalby Regional Saleyards to deliver a safe and cost effective livestock selling facility.

##### Quarries

Operate Council's quarry and gravel pits to meet Council's needs and to sell at commercial rates to other customers.

##### Sewerage services

Manage the sewerage system to achieve a reliable, safe and cost effective and environmentally sensitive sewage disposal service.

##### Washdown bays

Provide and maintain an environmentally sensitive and cost effective vehicle washdown service.

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 2b. Council functions - analysis of results by function

Functions	Gross program income		Gross program expenses		Total income		Total expenses		Net result		
	Recurring grants \$ '000	Recurring other \$ '000	Capital grants \$ '000	Capital other \$ '000	Recurring \$ '000	Capital \$ '000	Recurring \$ '000	Capital \$ '000	from recurring operations \$ '000	Net result \$ '000	Total assets \$ '000
<b>2022</b>											
General operations	28,229	84,716	19,101	692	132,738	(21,382)	(132,437)	1,890	301	1,460,353	
Commercial works	785	12,406	-	-	13,191	-	(11,117)	2,074	2,074	395	
Waste management	-	7,470	341	-	7,811	644	(8,087)	(1,261)	(276)	11,617	
Water services	-	12,038	53	-	12,091	(236)	(14,686)	(2,412)	(2,595)	161,244	
Gas supply	-	3,257	-	-	3,257	(4)	(2,000)	1,261	1,257	10,848	
Dalby Regional Saleyards	-	2,575	-	-	2,575	(22)	(1,954)	643	621	12,704	
Quarries	-	4,936	-	-	4,936	1,090	(4,456)	(610)	480	3,546	
Sewerage services	-	8,790	17	-	8,807	(434)	(6,892)	2,332	1,915	121,376	
Washdown bays	-	937	-	-	937	-	(589)	348	348	1,157	
<b>Total</b>	<b>29,014</b>	<b>137,125</b>	<b>19,512</b>	<b>692</b>	<b>186,343</b>	<b>(20,344)</b>	<b>(182,218)</b>	<b>4,265</b>	<b>4,125</b>	<b>1,783,240</b>	
<b>2021</b>											
General operations	24,209	79,919	20,415	679	125,222	(5,617)	(102,656)	7,089	22,566	1,404,349	
Commercial works	-	14,035	-	-	14,035	-	(10,228)	3,807	3,807	2,672	
Waste management	-	6,815	202	-	7,017	-	(7,961)	(1,146)	(944)	11,481	
Water services	-	12,310	77	-	12,387	(242)	(14,624)	(2,072)	(2,237)	155,914	
Gas supply	-	3,045	-	-	3,045	-	(1,979)	1,066	1,066	10,718	
Dalby Regional Saleyards	-	2,659	-	-	2,659	(675)	(2,693)	641	(34)	10,808	
Quarries	-	6,303	-	-	6,303	(339)	(5,384)	1,258	919	4,101	
Sewerage services	-	8,354	72	-	8,426	(955)	(7,349)	1,960	1,077	113,146	
Washdown bays	-	745	-	-	745	-	(510)	235	235	513	
<b>Total</b>	<b>24,209</b>	<b>134,185</b>	<b>20,766</b>	<b>679</b>	<b>179,839</b>	<b>(7,828)</b>	<b>(153,384)</b>	<b>12,838</b>	<b>26,455</b>	<b>1,713,702</b>	

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 3. Revenue

	2022 \$ '000	2021 \$ '000
<b>(a) Rates, levies and charges</b>		
Rates, levies and utility charges are recognised as revenue at the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period that they relate to.		
General and special rates	80,269	77,070
State and rural fire levy	160	(134)
Water	5,922	5,600
Water consumption, rental and sundries	5,418	5,901
Sewerage	9,150	8,701
Waste management	5,678	5,303
<b>Total rates and utility charge revenue</b>	<b>106,597</b>	<b>102,441</b>
Less: discounts	(4,914)	(4,674)
Less: pensioner remissions	(458)	(437)
<b>Total rates, levies and charges</b>	<b>101,225</b>	<b>97,330</b>

#### (b) Fees and charges

Revenue arising from fees and charges is recognised at the point in time when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

The performance obligation relates to the specific services which are provided to the customers by the Council. Generally the payment terms are within 30 days of the provision of the service or in some cases, the customer is required to pay on arrival, for example caravan parks. There is no material obligation for Council in relation to refunds or returns.

Licences granted by Council are all either short-term or low value and all revenue from licences is recognised at the time that the licence is granted rather than the term of the licence.

Revenue from infringements is recognised on issue of infringement notice after applying the expected credit loss model relating to impairment of receivables for initial recognition of statutory receivables.

Waste disposal fees	1,969	1,724
Aerodrome fees	1,017	919
Water sales	950	1,075
Washdown bay fees	937	745
Building and development fees	911	90
Cemetery fees	425	455
Rates searches	382	256
Animal registration fees	327	160
Other fees and charges	1,599	1,335
<b>Total fees and charges</b>	<b>8,517</b>	<b>6,759</b>

continued on next page ...

Page 9 of 51

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 3. Revenue (continued)

##### (c) Sales revenue

Sale of goods revenue is recognised at the point in time when the customer obtains control of the goods. Revenue from services is recognised when the service is rendered.

Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. Contract and recoverable works revenue and the associated costs are recognised by reference to the stage of completion of the contract activity based on costs incurred at the reporting date. Where consideration is received for the service in advance it is included in other liabilities and is recognised as revenue in the period when the service is performed.

	2022 \$ '000	2021 \$ '000
<b>Rendering of services</b>		
Contract and recoverable works	12,479	14,115
Saleyard services	2,575	2,635
<b>Total sale of services</b>	<b>15,054</b>	<b>16,750</b>
<b>Sale of goods</b>		
Gas sales	3,233	3,010
Quarry sales	4,932	6,303
<b>Total sale of goods</b>	<b>8,165</b>	<b>9,313</b>
<b>Total sales revenue</b>	<b>23,219</b>	<b>26,063</b>

##### (d) Grants, subsidies, contributions and donations

###### Grant income under AASB 15

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligation is satisfied.

Performance obligations vary in each agreement but mostly include the holding of events, construction or maintenance of assets or the completion of projects. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain milestones for others.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

###### Grant income under AASB 1058

Where Council receives an asset for significantly below fair value, the asset is recognised at fair value, related liability (or equity items) are recorded and income then is recognised for any remaining asset value at the time that the asset is received.

###### Capital grants

Where Council receives funding under an enforceable contract to acquire or construct a specified item of property, plant and equipment which will be under Council's control on completion, revenue is recognised as and when the obligation to construct or purchase is completed. For construction projects, this is generally as the construction progresses in accordance with costs incurred.

###### Donations and contributions

Where assets are donated or purchased for significantly below fair value, the revenue is recognised when the asset is acquired and controlled by the Council. Donations and contributions are generally recognised on receipt of the asset since there are no enforceable performance obligations.

continued on next page ...

Page 10 of 51

## Western Downs Regional Council

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 3. Revenue (continued)

	2022 \$ '000	2021 \$ '000
<b>(i) Operating</b>		
General purpose grants	21,500	16,082
State government subsidies and grants	3,461	1,887
Commonwealth government subsidies and grants	3,943	6,059
Contributions	110	181
<b>Total recurrent grants, subsidies, contributions and donations</b>	<b>29,014</b>	<b>24,209</b>

**(ii) Capital**

Capital revenue includes grants and subsidies received which are tied to specific projects for the replacement or upgrade of existing non-current assets and/or investment in new assets. It also includes non-cash contributions which are usually infrastructure assets received from developers.

State government subsidies and grants	6,307	8,551
Commonwealth government subsidies and grants	9,918	9,893
Contributions	3,287	1,897
Developer assets contributed by developers at fair value	—	425
	<u>19,512</u>	<u>20,766</u>
<b>Total capital grants, subsidies, contributions and donations</b>	<b>19,512</b>	<b>20,766</b>

**(iii) Timing of revenue recognition for grants, subsidies, contributions and donations**

	2022		2021	
	Revenue recognised at a point in time \$ '000	Revenue recognised over time \$ '000	Revenue recognised at a point in time \$ '000	Revenue recognised over time \$ '000
Grants and subsidies	38,295	6,834	35,455	7,017
Contributions	3,397	—	2,503	—
	<u>41,692</u>	<u>6,834</u>	<u>37,958</u>	<u>7,017</u>

## Note 4. Interest and other income

	2022 \$ '000	2021 \$ '000
<b>(a) Interest received</b>		

Interest received from bank deposits is accrued over the term of the investment.

Interest received from financial institutions	1,229	1,081
Interest received from other sources	10	7
Interest from overdue rates and utility charges	245	58
<b>Total interest received</b>	<b>1,484</b>	<b>1,146</b>

continued on next page ...

Page 11 of 51

## Western Downs Regional Council

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 4. Interest and other income (continued)

	2022 \$ '000	2021 \$ '000
<b>(b) Other income</b>		
Ticket Sales	202	232
Reimbursement of expenditure	480	541
Other income	609	311
<b>Total other income</b>	<b>1,291</b>	<b>1,084</b>

## Note 5. Capital income

	Notes	2022 \$ '000	2021 \$ '000
<b>(a) Gain / loss on disposal of non-current assets</b>			
Proceeds from the disposal of property, plant and equipment		1,808	1,870
Less: carrying value of disposed property, plant and equipment	14	(1,237)	(1,383)
		<u>571</u>	<u>487</u>
Proceeds from disposal of land and buildings		838	491
Less: carrying value of disposed land and buildings	14	(739)	(476)
		<u>99</u>	<u>15</u>
<b>Gain on disposal of non-current assets</b>		<b>670</b>	<b>502</b>
<b>(b) Other</b>			
Other capital income		23	177
		<u>23</u>	<u>177</u>
<b>Total capital income</b>		<b>693</b>	<b>679</b>

## Note 6. Employee benefits

	Notes	2022 \$ '000	2021 \$ '000
Employee benefit expenses are recorded when the service has been provided by the employee.			
Wages and salaries		41,149	41,513
Councillors' remuneration		715	714
Annual, sick and long service leave entitlements		8,421	9,308
Superannuation	22	5,357	5,548
		<u>55,642</u>	<u>57,083</u>
Other employee related expenses		921	1,248
		<u>56,563</u>	<u>58,331</u>
Less: capitalised employee expenses		(5,264)	(6,079)
<b>Total Employee benefits</b>		<b>51,299</b>	<b>52,252</b>

Councillor remuneration represents salary, and other allowances paid in respect of carrying out their duties.

Page 12 of 51

## Western Downs Regional Council

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 7. Materials and services

	2022	2021
	\$ '000	\$ '000
Expenses are recorded on an accruals basis as Council receives the goods or services.		
Advertising	117	98
Audit of annual financial statements by the Auditor-General of Queensland	196	187
Diesel and fuel	3,656	2,553
Donations and grants paid	12,819	1,812
Insurance	1,808	1,587
Legal fees	611	133
Precept payment	555	555
Purchase of gas	1,013	908
Repairs and maintenance	10,757	10,016
Contractors, consultants and services	29,048	27,101
Subscriptions and registrations	488	548
Telecommunications	432	523
Utilities	2,391	2,397
Other materials and services	2,521	1,277
<b>Total materials and services</b>	<b>66,412</b>	<b>49,695</b>

## Note 8. Finance costs

	2022	2021
	\$ '000	\$ '000
Bank charges	422	126
Impairment of receivables and bad debts written off	245	(165)
Interest on leases	4	2
Provision for evaporation ponds - unwinding of discounts on provision	2	1
Provision for quarry - unwinding of discounts on provision	29	10
Provision for refuse sites - unwinding of discounts on provision	28	21
Provision for gravel pits - unwinding of discounts on provision	19	10
<b>Total finance costs</b>	<b>749</b>	<b>5</b>

## Western Downs Regional Council

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 9. Capital expenses

	2022	2021
	\$ '000	\$ '000
	Notes	
<b>(a) Loss on impairment</b>		
<b>Impairment of property, plant and equipment:</b>		
Buildings	7,115	—
	17	7,115
<b>Total impairment losses</b>	<b>7,115</b>	<b>—</b>
<b>Impairment (gain)/losses recognised in the Income Statement</b>	<b>7,115</b>	<b>—</b>
<b>Key judgements and estimates</b>		
In assessing impairment, management estimates the recoverable amount of each asset, based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.		
<b>(b) Provision for restoration of land</b>		
Discount rate adjustment to refuse restoration provision	(505)	(36)
Discount rate adjustment to quarry rehabilitation liability	(772)	(306)
Increase in Rehabilitation Provision - Refuse Restoration	(225)	(11)
Increase in Rehabilitation Provision - Quarry Restoration	(338)	642
	18	(1,840)
<b>Total</b>	<b>(1,840)</b>	<b>289</b>
The discount rate adjustment to the quarry rehabilitation liability was adjusted against expenses as there was an insufficient asset revaluation reserve in the relevant asset class.		
<b>(c) Revaluation decrement</b>		
Revaluation decrement of property, plant and equipment	160	135
	14	160
<b>Total</b>	<b>160</b>	<b>135</b>
<b>(d) Other capital expenses</b>		
Loss on disposal of assets	14,909	7,404
	14,909	7,404
<b>Total capital expenses</b>	<b>20,344</b>	<b>7,828</b>

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 10. Cash, cash equivalents and financial assets

	2022 \$ '000	2021 \$ '000
Cash and cash equivalents in the statement of cash flows include cash on hand, all cash and cheques received but not banked at the year end, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.		
<b>Cash and cash equivalents</b>		
Cash at bank and on hand	2,633	2,146
Deposits at call	227,830	198,898
<b>Balance per Statement of Financial Position</b>	<u>230,463</u>	<u>201,044</u>
<b>Balance per Statement of Cashflows</b>	<u>230,463</u>	<u>201,044</u>
Cash and cash equivalents	230,463	201,044
Less: externally imposed restrictions on cash	(18,432)	(4,761)
<b>Unrestricted cash</b>	<u>212,031</u>	<u>196,283</u>

Some of Council's cash and cash equivalents are subject to a number of external restrictions that limit amounts available for discretionary or future use.

These include:

**(i) Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:**

Unspent government grants and subsidies	17,457	3,811
Unspent special rates	975	950
<b>Total externally imposed restrictions on cash assets</b>	<u>18,432</u>	<u>4,761</u>
<b>Total unspent restricted cash</b>	<u>18,432</u>	<u>4,761</u>

#### Note 11. Receivables

Receivables are amounts owed to Council at year end. They are recognised at the amount due at the time of sale or service delivery or advance. Settlement of receivables is required within 30 days after the invoice is issued.

Debts are regularly assessed for collectability and allowance is made, where appropriate, for impairment. All known bad debts were written-off at 30 June. If an amount is recovered in a subsequent period it is recognised as revenue.

The loss is recognised in finance costs. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the effective interest rate.

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 11. Receivables (continued)

	2022 \$ '000	2021 \$ '000
<b>Trade and other receivables (financial instruments)</b>		
Rates and charges	7,208	8,044
Sale of services, fees and charges	6,099	5,328
Gas utility	97	123
Infringements	287	316
Main roads	394	2,672
Resource sector	2,122	40
Gas charges not yet levied	721	703
GST recoverable	554	1,286
Prepayments	1,634	959
<b>Total</b>	<u>19,116</u>	<u>19,471</u>
<b>less: Provision for impairment</b>		
<b>Total provision for impairment - receivables</b>	<u>(878)</u>	<u>(798)</u>
<b>Total current receivables</b>	<u>18,238</u>	<u>18,673</u>

#### Accounting policies

##### Grouping

Council has identified 8 distinctive groupings of its receivables: Rates and Charges, Rates and Charges - Other, Grants, Main Roads, Gas, Statutory Charges, Resource Sector and Other Receivables.

*Rates and Charges and Rates and Charges - Other:* Council is empowered under the provisions of the Local Government Act 2009 to sell an owner's property to recover outstanding rates and charges debts. This results in immaterial Expected Credit Losses (ECL). As a general rule, Council does not impair rates and charges. Council will impair a specific category of rates and charges if arrears are deemed to be greater than the proceeds Council would likely receive from the sale of the respective property.

*Grants:* payable by State and Commonwealth governments and their agencies. A credit enhancement exists as these payments are effectively government guaranteed and both the State and Commonwealth governments have high credit ratings. Accordingly, Council determines the level of credit risk exposure to be immaterial. Council does not calculate ECL for grants.

*Main Roads* are construction and maintenance works which Council undertakes on behalf of the State Government. These projects are considered to have a low expected credit loss probability due to the high credit worthiness of the third party. Accordingly, Council determines the level of credit risk exposure to be immaterial.

*Statutory Charges* include infringement notices for penalty offences including failure to contain animals, failure to keep a property in a reasonable condition, failure to comply with conditions etc. Infringements have a high risk of loss with the expected loss being based on historical information and current receivables.

*Gas Sales:* These are outstanding balances in relation to the provision and delivery of gas to residential, commercial and industrial customers. Council recognises impairment on these sales based on historical analysis.

*Resource Sector* relates to funding agreed to be provided to improve or construct Council owned capital infrastructure (mostly roads) or works completed by Council for resource sector companies. Council has determined the level of credit risk to be immaterial based on the low risk associated with the other parties.

*Other Receivables:* Council identifies other receivables as receivables which do not fall into any of the other seven categories. Expected credit losses have been calculated using assessments on historical information and current market trends.

## Western Downs Regional Council

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 11. Receivables (continued)

	2022 \$ '000	2021 \$ '000
<b>Movement in accumulated impairment losses is as follows:</b>		
Opening balance at 1 July	(798)	(972)
Add		
Additional impairments recognised	(245)	(84)
Less		
Impairment debts written off during the year	165	-
Impairments provided for but recovered during the year	-	262
Impairments reversed	-	(4)
<b>Balance at the end of the year</b>	<b>(878)</b>	<b>(798)</b>

**Credit risk exposure and impairment of receivables**

The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those assets. No collateral is held as security.

Council uses a provision matrix to measure the expected credit losses on statutory charges and other debtors. Loss rates are calculated separately for groupings with similar loss patterns. The calculations reflect historical observed default rates calculated using credit losses experienced on past transactions from previous years for each group. Loss rates are based on actual credit loss experienced over the prior years, current conditions and the Council's view of economic conditions over the expected lives of the receivables. Council has determined there are eight material groupings for measuring expected credit losses based on a combination of their statutory status, Council's policies and procedures, sale of services and goods, and risk default profiles of these revenue streams.

*Expected credit loss assessment*

The Council uses an allowance matrix to measure the expected credit losses of trade receivables from individual customers, which comprise a very large number of small balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

**End of period expected credit losses on outstanding receivables**

All amounts that were written off during the reporting period are no longer subject to enforcement activity.

continued on next page ...

Page 17 of 51

## Western Downs Regional Council

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 11. Receivables (continued)

2022	Closing balance	Historical probability of default	Loss given default	Lifetime expected credit loss
Ageing	\$ '000	\$ '000	\$ '000	\$ '000
<b>Rates and charges - other</b>				
Current	-	0.00%	100.00%	-
1-30 days	-	0.00%	100.00%	-
31-60 days	-	0.00%	100.00%	-
61-90 days	-	0.00%	100.00%	-
90+ days	950.37	65.80%	100.00%	625.37
<b>Total</b>	<b>950.37</b>			<b>625.37</b>
<b>Gas sales</b>				
Current	-	1.00%	100.00%	0
1-30 days	19.15	13.64%	100.00%	2.61
31-60 days	26.41	22.73%	100.00%	6.00
61-90 days	5.71	45.45%	100.00%	2.59
90+ days	45.27	81.82%	100.00%	37.04
<b>Total</b>	<b>96.54</b>			<b>48.25</b>
<b>Statutory charges</b>				
Current	11.22	1.00%	100.00%	0.11
1-30 days	10.47	5.00%	100.00%	0.52
31-60 days	8.01	10.00%	100.00%	0.80
61-90 days	26.97	25.00%	100.00%	6.74
90+ days	230.40	40.00%	100.00%	92.16
<b>Total</b>	<b>287.07</b>			<b>100.34</b>
<b>Resource sector</b>				
Current	1,902.47	0.00%	100.00%	-
1-30 days	-	0.00%	100.00%	-
31-60 days	219.25	0.00%	100.00%	-
61-90 days	-	0.00%	100.00%	-
90+ days	-	0.00%	100.00%	-
<b>Total</b>	<b>2,121.71</b>			<b>-</b>
<b>Other receivables</b>				
Current	5,721.75	0.28%	100.00%	15.87
1-30 days	158.81	3.08%	100.00%	4.89
31-60 days	29.13	5.18%	100.00%	1.51
61-90 days	24.57	9.45%	100.00%	2.32
90+ days	167.35	47.68%	100.00%	79.79
<b>Total</b>	<b>6,101.62</b>			<b>104.38</b>

continued on next page ...

Page 18 of 51

## Western Downs Regional Council

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 11. Receivables (continued)

2021	Closing balance	Historical probability of default	Loss given default	Lifetime expected credit loss
Ageing	\$ '000	\$ '000	\$ '000	\$ '000
<b>Rates and charges - other</b>				
Current	-	0.00%	100.00%	-
1-30 days	-	0.00%	100.00%	-
31-60 days	-	0.00%	100.00%	-
61-90 days	-	0.00%	100.00%	-
90+ days	1,246	41.97%	100.00%	522.9
<b>Total</b>	<b>1,246</b>			<b>522.9</b>
<b>Gas sales</b>				
Current	-	0.00%	100.00%	-
1-30 days	51	9.09%	100.00%	4.6
31-60 days	-	22.73%	100.00%	-
61-90 days	14	45.45%	100.00%	6.4
90+ days	58	81.82%	100.00%	47.5
<b>Total</b>	<b>123</b>			<b>58.5</b>
<b>Statutory charges</b>				
Current	11	1.00%	100.00%	0.1
1-30 days	7	5.00%	100.00%	0.4
31-60 days	18	10.00%	100.00%	1.8
61-90 days	45	25.00%	100.00%	11.3
90+ days	235	50.00%	100.00%	117.5
<b>Total</b>	<b>316</b>			<b>131.0</b>
<b>Resource sector</b>				
Current	-	0.00%	100.00%	-
1-30 days	-	0.00%	100.00%	-
31-60 days	-	0.00%	100.00%	-
61-90 days	-	0.00%	100.00%	-
90+ days	-	0.00%	100.00%	-
<b>Total</b>	<b>-</b>			<b>-</b>
<b>Other receivables</b>				
Current	5,012	0.35%	100.00%	17.5
1-30 days	74	4.20%	100.00%	3.1
31-60 days	69	8.61%	100.00%	5.9
61-90 days	15	24.80%	100.00%	3.7
90+ days	151	36.66%	100.00%	55.4
<b>Total</b>	<b>5,321</b>			<b>85.7</b>

## Western Downs Regional Council

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 12. Inventories

All inventory, including stores and raw materials and quarry and road materials are valued at the lower of cost and net realisable value and include, where applicable, direct material, direct labour and an appropriate portion of variable and fixed overheads. Costs are assigned on the basis of weighted average cost.

Inventories held for distribution are:

- goods to be supplied at no or nominal charge, and
- goods to be used for the provision of services at no or nominal charge.

Inventory held for distribution is valued at cost, adjusted, when applicable, for any loss of service potential.

	2022	2021
	\$ '000	\$ '000
<b>Current Inventories</b>		
<b>(a) Inventories held for distribution</b>		
Quarry and road materials	2,300	2,823
Stores and materials	2,587	2,022
	<b>4,887</b>	<b>4,845</b>
<b>Total current inventories</b>	<b>4,887</b>	<b>4,845</b>

## Note 13. Non-current assets held for sale

Items of property, plant and equipment are reclassified as non-current assets as held for sale when the carrying amount of these assets will be recovered principally through a sales transaction rather than continuing use. Non-current assets classified as held for sale are available for immediate sale in their present condition and management believe the sale is highly probable within 12 months. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less cost to sell and are not depreciated.

	2022	2021
	\$ '000	\$ '000
<b>(i) Non-current assets and disposal group assets</b>		
<b>Current</b>		
<b>Non-current assets held for sale</b>		
Land	499	-
<b>Total non-current assets held for sale</b>	<b>499</b>	<b>-</b>

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 13. Non-current assets held for sale (continued)

(ii) Details of assets and disposal groups

On 8 December 2021 Council resolved to transfer its aged care facilities to Southern Cross Care at no cost and as a result the assets were impaired to nil. The control of the assets was transferred to Southern Cross Care on 1 April 2022.

On 3 June 2022 Council resolved to auction off various parcels of vacant unused land. This land is due to be auctioned off in the 2023 financial year.

	2022	2021
	\$ '000	\$ '000
Notes		

(iii) Reconciliation of non-current assets held for sale and disposal groups

Assets held for sale

Opening balance	-	-
plus new transfer in:		
Assets held for sale from property, plant and equipment	14 7,614	-
less impairment losses:		
Assets held for sale - losses on reclassification	(7,115)	-
Closing balance of held for sale non-current assets and operations	499	-

continued on next page ...

Western Downs Regional Council  
Notes to the Financial Statements  
for the year ended 30 June 2022

Note 14. Property, plant and equipment (continued)

2022	Land \$ '000		Site improvements \$ '000		Buildings \$ '000		Plant and equipment \$ '000		Furniture and fittings \$ '000		Road and bridge network \$ '000		Water \$ '000		Sewerage \$ '000		Stormwater \$ '000		Gas infrastructure \$ '000		Heritage assets \$ '000		Works in progress \$ '000		Total \$ '000			
	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost		
Measurement basis																												
Opening gross balance	35,495	-	45,759	-	197,824	79,111	513	1,286,023	236,285	153,406	64,079	15,748	12,399	-	-	-	-	-	-	-	-	-	-	37,220	2,163,862	-		
Additions - new	(516)	-	(3,122)	-	(502)	(4,510)	-	(11,759)	(888)	(1,800)	(6)	(6)	(51)	-	-	-	-	-	-	-	-	-	54,938	54,938	-			
Disposals	(162)	-	(16,219)	-	(16,219)	(1,099)	(20)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,528)	-		
Write-offs	(654)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(35,132)	-	
Revaluation decrements to equity (ARS)	-	-	2,959	-	11,471	-	-	48,577	20,192	26,515	2,633	663	1,181	-	-	-	-	-	-	-	-	-	-	-	-	(654)	-	
Revaluation increments to equity (ARS)	15	-	3,089	-	5,797	6,131	129	20,433	2,365	2,626	257	1	7	-	-	-	-	-	-	-	-	-	(40,850)	114,191	-			
Work in progress transfers	(499)	-	-	-	(11,535)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(225)	(12,034)	-			
Transfers from/(to) held for sale category	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(48)	-	
Transfers from/(to) Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	274	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	-	(65)	-	(279)	44	-	-	27																			



Western Downs Regional Council  
Notes to the Financial Statements  
for the year ended 30 June 2022

Note 14. Property, plant and equipment (continued)

2021	Notes												
	Land \$ '000	Site improvements \$ '000	Buildings \$ '000	Plant and equipment \$ '000	Furniture and fittings \$ '000	Road and bridge network \$ '000	Water \$ '000	Sewerage \$ '000	Stormwater \$ '000	Gas infrastructure \$ '000	Heritage assets \$ '000	Works in progress \$ '000	Total \$ '000
Measurement basis	Fair Value	Fair Value	Fair Value	Cost	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Cost	Cost
<b>Opening gross balance</b>	36,164	46,139	194,827	80,410	464	1,187,184	233,364	152,019	61,902	15,603	12,014	23,244	2,043,334
Additions - new	-	644	-	-	-	27	-	29	369	-	-	51,508	52,152
Contributed assets	(476)	-	-	(5,794)	-	-	-	-	-	-	-	-	(6,270)
Disposals	(3)	(4,304)	(1,919)	(1,885)	-	(10,452)	(1,081)	(3,506)	(24)	-	-	-	(23,174)
Write-offs	(421)	-	-	(1,885)	-	-	-	-	-	-	-	-	(421)
Revaluation decrements to equity (ARS)	-	915	3,728	-	-	88,794	1,942	1,432	626	143	236	-	97,816
Revaluation increments to equity (ARS)	-	2,371	1,215	6,380	49	20,437	2,060	3,432	1,206	2	149	(37,532)	-
Work in progress transfers	231	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and other transfers	-	(6)	(27)	-	-	33	-	-	-	-	-	-	-
<b>Total gross value of property, plant and equipment</b>	<b>35,495</b>	<b>45,759</b>	<b>197,824</b>	<b>79,111</b>	<b>513</b>	<b>1,286,023</b>	<b>236,285</b>	<b>153,406</b>	<b>64,079</b>	<b>15,748</b>	<b>12,399</b>	<b>37,220</b>	<b>2,163,862</b>
<b>Opening accumulated depreciation and impairment</b>	-	17,442	70,682	40,199	302	259,165	89,697	45,624	16,667	5,346	6,437	-	551,561
Depreciation expense	-	1,911	4,544	4,187	53	25,103	4,340	2,411	630	279	-	-	43,458
Disposals	-	-	-	(4,412)	-	-	-	-	-	-	-	-	(4,412)
Write-offs	-	(2,682)	(1,181)	(1,346)	-	(7,152)	(871)	(2,565)	(8)	-	-	-	(15,805)
Impairment loss (recognised in equity)	-	-	-	-	-	(67)	-	-	-	-	-	-	(67)
Revaluation decrements to P/L	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation decrements to equity (ARS)	-	-	-	-	-	-	-	-	-	-	135	-	135
Revaluation increments to equity (ARS)	-	(38)	3,733	-	-	98,050	769	432	173	52	235	-	103,444
Adjustments and other transfers	-	-	(7)	-	-	1	-	-	-	-	-	-	(38)
<b>Total accumulated depreciation and impairment of property, plant and equipment</b>	<b>-</b>	<b>16,640</b>	<b>77,771</b>	<b>38,628</b>	<b>355</b>	<b>375,100</b>	<b>93,935</b>	<b>45,902</b>	<b>17,462</b>	<b>5,677</b>	<b>6,807</b>	<b>-</b>	<b>678,277</b>
Total net book value of property, plant and equipment	35,495	29,119	120,053	40,483	158	910,923	142,350	107,504	46,617	10,071	5,592	37,220	1,485,585
<b>Other information</b>	Not depreciated	10-150	10-150	3-60	5-10	13-200	10-150	10-185	60-150	10-100	15-150	Not depreciated	-
Range of estimated useful life (years)	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>*Asset additions comprise</b>	-	644	-	-	-	-	-	-	-	-	-	38,563	38,563
Asset renewals	-	-	-	-	-	-	-	-	-	-	-	12,945	12,945
Other additions	-	644	-	-	-	-	-	-	-	-	-	51,508	52,152
<b>Total asset additions</b>	<b>-</b>	<b>644</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>51,508</b>	<b>52,152</b>

continued on next page ...

Page 23 of 51

Western Downs Regional Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 14. Property, plant and equipment (continued)

(a) Recognition

Purchases of property, plant and equipment are recognised as assets unless they are below the recognition threshold or are maintenance expenditure. In these cases, they are recognised as expenditure.

Replacement of a major component of an asset, in order to maintain its service potential, is treated as the acquisition of a new asset. However, routine operating maintenance, repair costs and minor renewals to maintain the operational capacity and existing useful life of the non-current asset is expensed as incurred.

Capital and operating expenditure

Wages and materials expenditure incurred for the acquisition or construction of assets is capitalised. Routine operating maintenance, repair costs and minor renewals to maintain the operational capacity of the assets are expensed as incurred, while expenditure that relates to replacement of a major component of an asset to maintain its service potential is capitalised.

Land under roads

Land under the roads and reserve land under the *Land Act 1994* or *Land Title Act 1994* is controlled by the Queensland State Government and not recognised in the Council financial statements.

(b) Measurement

Property, plant and equipment assets are initially recorded at cost. Subsequently, each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss.

Cost is determined as the fair value of the assets given as consideration plus costs directly attributable to bringing the asset to a location and operational condition capable of being used by Council.

Direct labour and materials and an appropriate proportion of overheads incurred in the acquisition or construction of the assets are also included in their cost.

Property, plant and equipment received in the form of contributions are recognised as assets and revenues at fair value.

(c) Depreciation

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and commissioned ready for use.

Land, works in progress, certain cultural and heritage assets and road formations are not depreciated.

Depreciation, where applicable, is calculated on a straight-line basis so that the cost of the asset is recognised progressively over its estimated useful life to Council.

Where assets have separate identifiable components, these components have separately assigned useful lives.

Replacement of major components purchased specifically for particular assets that are above the asset recognition threshold are capitalised and depreciated on the same basis as the asset to which they relate.

The useful life of leasehold improvements is the shorter of the useful life of the asset or the remaining life of the lease.

Key judgements and estimates

Depreciation methods, estimated useful lives and residual values of property, plant and equipment assets are reviewed at the end of each reporting period and adjusted where necessary to reflect any material changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, or management intentions. The condition assessments performed as part of the annual valuation process for assets measured at written down current replacement cost are used to estimate the useful lives of these assets at each reporting date.

(d) Impairment

Property, plant and equipment held at cost is assessed for indicators of impairment annually. If an indicator of possible impairment exists, the Council then determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

continued on next page ...

Page 24 of 51

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 14. Property, plant and equipment (continued)

##### (e) Valuation

###### Valuation Processes

Council considers the carrying amount of its property, plant and equipment on an annual basis compared to fair value and makes the necessary adjustment where these are materially different. At least once every 3 years, Council performs a full comprehensive revaluation by engaging an external professionally qualified valuer.

In the intervening years, Council undertakes either:

- a management valuation using internal engineers and asset managers to assess the condition and cost assumptions associated with all infrastructure assets and an appropriate cost index for the region; or
- a 'desktop' valuation for land and improvements, buildings and major plant asset classes which involves management providing updated information to the valuer regarding additions, removals and changes in assumptions such as useful life, residual value and condition rating. The valuer then determines suitable indices which are applied to each of these asset classes.

Revaluation increases are recognised in the asset revaluation surplus unless they are reversing a previous decrease which was recognised in the statement of comprehensive income. In that case, the increase is recognised in the comprehensive income statement to the extent of the previous decrease.

Revaluation decreases are recognised in the asset revaluation surplus, where there is sufficient amount available in the asset revaluation surplus relating to that asset class. Where there isn't a sufficient amount available in the surplus, the decrease is recognised in the statement of comprehensive income.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimated remaining useful life. Separately identified components of assets are measured on the same basis as the assets to which they relate.

In accordance with AASB 13 fair value measurements are classified into three levels as follows:

**Level 1** - fair value based on quoted prices (unadjusted) in active markets for identical assets to liabilities.

**Level 2** - fair value based on inputs that are directly or indirectly observable, such as prices for similar assets, for the asset or liability.

**Level 3** - fair value based on unobservable inputs for the asset and liability.

##### (2) Transfers between level 1 and level 2 fair value hierarchies

There were no transfers between levels of the hierarchy during the year.

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 14. Property, plant and equipment (continued)

##### (3) Valuation techniques used to derive level 2 and level 3 fair values

Where Council is unable to derive fair valuations using quoted market prices of identical assets (i.e., level 1 inputs) Council instead utilises a reasonable spread of both observable inputs (level 2 inputs) and unobservable inputs (level 3 inputs).

The fair value when using level 2 inputs is derived using level 2 market-based evidence which includes observable historical sales data for assets of a similar nature within the Western Downs Regional Council and adjacent areas.

The cost approach is used to determine fair value when using level 3 inputs. This method is based on determining the asset's Replacement Cost of an equivalent asset and then adjusting for the level of remaining service potential.

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Index applied (change in index recognised this year)
Land (Level 2) 2022: \$7,718k 2021: \$35,495k	Market value	31/03/2022	AssetVal	N/A

###### Key assumptions and estimates (related data sources)

- The analysis of price movements in local property markets during the year, and
- The analysis of registered sales data.

Land (Level 3) 2022: \$26,583k 2021: \$0	Current replacement cost	31/03/2022	AssetVal	N/A
--	--------------------------	------------	----------	-----

###### Key assumptions and estimates (related data sources)

- The analysis of registered sales data of the closest comparable properties and adjusted for the individual property's characteristics.

Site improvements (Level 3)	Current replacement cost	31/03/2022	AssetVal	N/A
-----------------------------	--------------------------	------------	----------	-----

###### Key assumptions and estimates (related data sources)

- Recent construction data
- Condition assessments including the assessment of the assets' useful and remaining useful lives
- Building Cost Indices available from construction guides such as Rawlinson's, and
- The valuer's professional judgement.

Heritage Buildings & Site Improvements (Level 3)	Current replacement cost	31/03/2022	AssetVal	N/A
--	--------------------------	------------	----------	-----

###### Key assumptions and estimates (related data sources)

- Recent construction data
- Condition assessments including the assessment of the assets' useful and remaining useful lives
- Building Cost Indices available from construction guides such as Rawlinson's, and
- The valuer's professional judgement.

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 14. Property, plant and equipment (continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Index applied (change in index recognised this year)
Market value buildings (Level 2) 2022: \$4,063k 2021: \$3,525k	Market value	31/03/2022	AssetVal	N/A

##### Key assumptions and estimates (related data sources)

- The analysis of price movements in local property markets during the year, and
- The analysis of registered sales data.

Specialised buildings (Level 3) 2022: \$106,148k 2021: \$121,843k	Current replacement cost	31/03/2022	AssetVal	N/A
---	--------------------------	------------	----------	-----

##### Key assumptions and estimates (related data sources)

- Recent construction data
- Condition assessments including the assessment of the assets' useful and remaining useful lives
- Building Cost Indices available from construction guides such as Rawlinson's, and
- The valuer's professional judgement.

Roads, bridges and footpaths network (Level 3)	Current replacement cost	31/03/2021	AssetVal	3.72%
--	--------------------------	------------	----------	-------

##### Key assumptions and estimates (related data sources)

- Review of Australian Bureau of Statistics producer price index,
- Queensland Treasury indices, and
- Local indices provided by Council.

Water and sewerage (Level 3)	Current replacement cost	31/03/2022	Australis	N/A
------------------------------	--------------------------	------------	-----------	-----

##### Key assumptions and estimates (related data sources)

- Recent similar project costs,
- Quotes from suppliers,
- Unit rate databases, and
- Indices and industry standard resources such as Rawlinson's Construction Handbook.
- Condition assessments including the assessment of the assets' useful and remaining useful lives

Stormwater and gas (Level 3)	Current replacement cost	30/06/2020	Australis	4.14% and 4.21% respectively
------------------------------	--------------------------	------------	-----------	------------------------------

##### Key assumptions and estimates (related data sources)

- Analysis of industry and sector indices, as well as price guides and quotes from market participants
- Producer Price Indexes, Wage Index, Engineering and Technical Services Index from the ABS

continued on next page ...

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 14. Property, plant and equipment (continued)

- Engineering Cost Indices available from the QLD Treasury Department
- Cost Indices available from construction guides (such as Rawlinsons)
- Discussions with local external and internal Council contractors and suppliers.

#### Note 15. Contract balances

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or before payment is due, Council presents the work in progress as a contract asset, unless the rights to that amount of consideration are unconditional, in which case Council recognises a receivable.

When an amount of consideration is received from a customer / fund provider prior to Council transferring a good or service to the customer, Council presents the funds which exceed revenue recognised as a contract liability.

	2022 \$ '000	2021 \$ '000
--	-----------------	-----------------

##### (a) Contract assets

Contract assets	974	1,762
<b>Total current contract assets</b>	<b>974</b>	<b>1,762</b>

##### (b) Contract liabilities

Funds received upfront to construct Council controlled assets	13,334	2,163
<b>Total current contract liabilities</b>	<b>13,334</b>	<b>2,163</b>

Council's contract liabilities are a result of funding received to construct assets, such as roads and buildings, where at 30 June 2022 Council had not yet spent the funds. This includes funding programs such as the Works for Queensland and other similar funding initiatives.

##### Revenue recognised that was included in the contract liability balance at the beginning of the year

Funds to construct Council controlled assets	2,104	635
Non-capital performance obligations	–	19
<b>Total revenue included in the contract liability</b>	<b>2,104</b>	<b>654</b>

##### (c) Significant changes in contract balances

2021-22 saw a large number of natural disasters impact the Western Downs region and as a consequence Council received funding towards the end of the financial year for reconstruction works. This has resulted in a significant increase to the contract liabilities balance at 30 June 2022.

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 16. Leases

##### Council as a lessee

Where Council assesses that an agreement contains a lease, a right of use asset and lease liability are recognised on inception of the lease. Council does not separate lease and non-lease components for any class of assets and has accounted for lease payments as a single component.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives received. The right-of-use is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

The lease liability is initially recognised at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the government securities rate for a similar term is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is re-measured whether there is a lease modification, or change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI).

Where the lease liability is re-measured, the right-of-use asset is adjusted to reflect the re-measurement.

##### Exemption to lease accounting

Council has applied the exemption to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. Council recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

##### Terms and conditions of leases

Council has leases in place over land and building assets.

##### Land

Council leases a range of land across the region which it has utilised for parks, cattle yards, car parks, halls etc. The leases are between 10 and 20 years and are increased by CPI or by a contractually-agreed rate annually.

##### Buildings

Council has entered into a building lease for the Chinchilla and Dalby libraries whilst the old sites are being upgraded. The leases are increased by CPI annually.

	Land \$ '000	Buildings \$ '000	Total \$ '000
--	-----------------	----------------------	------------------

##### Right of use assets

	Land \$ '000	Buildings \$ '000	Total \$ '000
<b>2022</b>			
Opening balance at 1 July	206	215	421
Additions to right-of-use assets	–	428	428
Depreciation charge	(32)	(177)	(209)
<b>Balance at 30 June</b>	<b>174</b>	<b>466</b>	<b>640</b>
<b>2021</b>			
Opening balance at 1 July	247	–	247
Additions to right-of-use assets	–	286	286
Adjustments to right-of-use assets due to re-measurement of lease liability	(8)	–	(8)
Depreciation charge	(33)	(71)	(104)
<b>Balance at 30 June</b>	<b>206</b>	<b>215</b>	<b>421</b>

continued on next page ...

Page 29 of 51

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 16. Leases (continued)

	2022 \$ '000	2021 \$ '000
<b>Lease liabilities</b>		
<b>Classified as:</b>		
Current lease liability	241	158
Non-current lease liability	463	305
<b>Total lease liabilities</b>	<b>704</b>	<b>463</b>

The table below shows the maturity analysis of the lease liabilities based on contractual cashflows and therefore the amounts will not be the same as the recognised lease liability in the statement of financial position.

	< 1 year \$ '000	1 – 5 years \$ '000	> 5 years \$ '000	Total \$ '000	Total per statement of financial position \$ '000
<b>2022</b>					
Leases over land	13	211	38	262	238
Leases over Buildings	228	254	–	482	466
	241	465	38	744	704
<b>2021</b>					
Leases over land	13	56	207	276	248
Leases over Buildings	145	73	–	218	215
	158	129	207	494	463

##### Amounts included in the statement of comprehensive income related to leases

The following amounts have been recognised in the statement of comprehensive income for leases where Council is the lessee.

	2022 \$ '000	2021 \$ '000
<b>Expenses</b>		
Depreciation of right-of-use assets	209	104
Interest expense on lease liabilities	4	2
<b>Net expense relating to leases</b>	<b>213</b>	<b>106</b>

continued on next page ...

Page 30 of 51

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 16. Leases (continued)

##### Council as a lessor

When Council is a lessor, the lease is classified as either an operating or finance lease at inception date, based on whether substantially all of the risks and rewards incidental to ownership of the asset have been transferred to the lessee. If the risks and rewards have been transferred then the lease is classified as a finance lease, otherwise it is an operating lease.

If the lease contains lease and non-lease components then the non-lease components are accounted for in accordance with AASB 15 Revenue from Contracts with Customers.

The lease income is recognised on a straight-line basis over the lease term.

	2022	2021
	\$ '000	\$ '000

##### Operating leases

Where Council retains the risks and rewards relating to a lease, they are classified as operating leases and relate to the property, plant & equipment in the statement of financial position.

Rent from investment and other property is recognised as income on a periodic straight line basis over the lease term.

Aged care	617	1,043
Community housing rental income	488	472
Community facilities	4	2
Commercial leases	205	195
Other property rental income	73	91
<b>Total operating lease income (rental income)</b>	<b>1,387</b>	<b>1,803</b>
Direct operating expenses from property that generated rental income	6,651	7,124
<b>Total operating lease expenses</b>	<b>6,651</b>	<b>7,124</b>
<b>Net operating lease profit/(loss)</b>	<b>(5,264)</b>	<b>(5,321)</b>

Council leases out accommodation at its aged care facilities, community housing and aircraft hangers at its aerodromes. There have been no concessions provided to lessees as a result of COVID-19.

Council has assessed its aged care and social housing resident agreements under AASB 16. As the agreements only require 14 days written notice to be cancelled, Council has no material minimum lease receipts to disclose. Council's other leases have been deemed to be immaterial in nature and therefore no future lease receipts can be disclosed.

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 17. Payables

	2022	2021
	\$ '000	\$ '000
Creditors	8,345	5,988
Other entitlements	222	230
Accrued expenses	2,682	5,214
Payments received in advance	3,318	2,314
Accrued wages and salaries	746	638
Other	975	950
<b>Total current payables</b>	<b>16,288</b>	<b>15,334</b>
<b>Non-current</b>		
Other	2,494	-
<b>Total non-current payables</b>	<b>2,494</b>	<b>-</b>

Creditors are recognised when goods or services are received, at the amount owed. Amounts owing are unsecured and are generally settled on 30 day terms.

#### Note 18. Provisions

Liabilities are recognised for employee benefits such as wages and salaries, annual and long service leave in respect of services provided by the employees up to the reporting date.

Short-term benefits which are expected to be wholly settled within 12 months are calculated on wage and salary levels which are expected to be paid and includes related employee on-costs. Amounts not expected to be wholly settled within 12 months are calculated on projected future wage and salary levels and related employee on-costs, and are discounted to present values.

##### Long service leave

The provision for long service leave represents the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in the Council's employment or other associated employment which would result in the Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The interest rates attaching to Commonwealth Government guaranteed securities at the reporting date are used to discount the estimated future cash outflows to their present value. The provision is discounted using the Commonwealth Bond yield rates published on the Department of State Development, Infrastructure, Local Government and Planning website.

Where employees have met the prerequisite length of service and Council does not have an unconditional right to defer this liability beyond 12 months, long service leave is classified as a current liability. Otherwise it is classified as non-current.

##### Refuse dump restoration, aerodrome evaporation ponds, quarry and gravel pit rehabilitation

A provision is made for the cost of restoring refuse dumps, aerodrome evaporation ponds, quarries and gravel pits where it is probable the Council will have an obligation to rehabilitate the sites when the use of the facilities is complete.

The provision for refuse and evaporation pond restoration is calculated as the present value of anticipated future costs associated with the closure of the sites, decontamination and monitoring of historical residues and leaching on these sites. The calculation of this provision requires assumptions such as application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred. The provision recognised for dump sites is reviewed at least annually and updated based on the facts and circumstances available at the time.

The present value of the estimated cost of restoring the refuse disposal site to a useable state at the end of its useful life is \$3,164,908 and is expected to occur over the years 2022 to 2041.

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 18. Provisions (continued)

Similarly, the present value of the estimated cost of restoring the evaporation ponds to a useable state at the end of its useful life is \$566,679 and is expected to occur over the years 2022 to 2028.

The provision for quarry and gravel pits rehabilitation represents the present value of the anticipated future costs associated with the closure of the quarries, refilling the basin, and reclamation and rehabilitation of these sites. The calculation of this provision requires assumptions such as application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred. The provision recognised for quarry and gravel pits rehabilitation is reviewed at least annually and updated based on the facts and circumstances available at the time.

The present value of the estimated cost of restoring the quarry site to a useable state at the end of its useful life is \$1,320,192 and is expected to occur over the years 2032 to 2036.

Similarly, the present value of the estimated cost of restoring the gravel pits to a useable state at the end of its useful life is \$1,402,771 and is expected to occur over the years 2022 to 2055.

	2022 \$ '000	2021 \$ '000
<b>Current</b>		
Annual leave	4,174	4,675
Long service leave	7,331	7,426
Evaporation Pond Restoration	20	407
Refuse restoration	379	167
Gravel pit restoration	180	263
<b>Total current provisions</b>	<b>12,084</b>	<b>12,938</b>
<b>Non-current</b>		
Long service leave	1,391	1,930
Evaporation Pond Restoration	547	238
Quarry rehabilitation	1,320	1,712
Refuse restoration	2,786	3,670
Gravel pit restoration	1,223	1,807
<b>Total non-current provisions</b>	<b>7,267</b>	<b>9,357</b>

#### Details of movements in provisions

<b>Long service leave</b>		
Balance at beginning of financial year	9,356	8,732
Additional provision	615	1,119
Amounts used	(1,249)	(495)
<b>Balance at end of financial year</b>	<b>8,722</b>	<b>9,356</b>
<b>Quarry rehabilitation</b>		
Balance at beginning of financial year	1,712	1,899
Increase in provision due to unwinding of discount	28	10
Increase/(decrease) in provision due to change in discount rate	(387)	(274)
Increase/(decrease) in estimate of future cost	(33)	77
<b>Balance at end of financial year</b>	<b>1,320</b>	<b>1,712</b>

continued on next page ...

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 18. Provisions (continued)

	2022 \$ '000	2021 \$ '000
<b>Refuse restoration</b>		
Balance at beginning of financial year	3,837	3,926
Increase in provision due to unwinding of discount	28	21
Increase/(decrease) in provision due to change in discount rate	(478)	(36)
Increase/(decrease) in estimate of future cost	(222)	(74)
<b>Balance at end of financial year</b>	<b>3,165</b>	<b>3,837</b>
<b>Gravel Pit restoration</b>		
Balance at beginning of financial year	2,070	1,530
Increase in provision due to unwinding of discount	20	10
Increase/(decrease) in provision due to change in discount rate	(385)	(32)
Increase/(decrease) in estimate of future cost	(303)	562
<b>Balance at end of financial year</b>	<b>1,403</b>	<b>2,070</b>
<b>Evaporation Pond Restoration</b>		
Balance at beginning of financial year	645	-
Increase in provision due to unwinding of discount	2	1
Increase/(decrease) in provision due to change in discount rate	(27)	-
Increase/(decrease) in estimate of future cost	(53)	-
<b>Balance at end of financial year</b>	<b>567</b>	<b>645</b>

#### Note 19. Asset revaluation surplus

The asset revaluation surplus comprises revaluation movements on property, plant and equipment. Increases and decreases on revaluation are offset within a class of assets. Refer to Note 13.

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 20. Commitments for expenditure

	2022 \$ '000	2021 \$ '000
<b>(a) Contractual commitments</b>		
<b>Contractual commitments at end of financial year but not recognised in the financial statements are as follows:</b>		
Garbage collection contract	1,660	6,484
Recycling centres contract	903	2,406
Aerodrome management	929	1,289
Other	11,292	7,633
	14,784	17,812
<b>(b) Capital commitments (exclusive of GST)</b>		
<b>Commitment for the construction of the following assets contracted for at the reporting date but not recognised as liabilities:</b>		
<b>Property, plant and equipment</b>		
Road, drainage and bridge network	4,173	1,443
Buildings and Site Improvements	10,256	20,781
Other	2,247	1,962
<b>Total commitments</b>	16,676	24,186
<b>These expenditures are payable as follows:</b>		
Within the next year	28,500	37,812
Later than one year and not later than 5 years	2,961	4,186
<b>Total payable</b>	31,461	41,998

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 21. Contingent liabilities

Details and estimates of maximum amounts of contingent liabilities are as follows:

##### Local Government Mutual

The Council is a member of the local government mutual liability self-insurance pool, LGM Queensland. In the event of the pool being wound up or it is unable to meet its debts as they fall due, the trust deed and rules provide that any accumulated deficit will be met by the individual pool members in the same proportion as their contribution is to the total pool contributions in respect to any year that a deficit arises.

As at 30 June 2022 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

##### Local Government Workcare

The Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. The Council's maximum exposure to the bank guarantee is \$948,409.97.

#### Note 22. Superannuation - regional defined benefit fund

Council contributes to the LGIASuper Regional Defined Benefits Fund (the scheme), at the rate of 12% for each permanent employee who is a defined benefit member. This rate is set in accordance with the LGIASuper trust deed and may be varied on the advice of an actuary. The Regional Defined Benefits Fund is a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation and is also governed by the Local Government Act 2009.

The scheme is a defined benefit plan, however Council is not able to account for it as a defined benefit plan in accordance with AASB119 Employee Benefits because LGIASuper is unable to account for its proportionate share of the defined benefit obligation, plan assets and costs.

Any amount by which the scheme is over or under funded may affect future benefits and result in a change to the contribution rate, but has not been recognised as an asset or liability of the Council.

Council may be liable to the scheme for a portion of another local governments' obligations should that local government be unable to meet them. However the risk of this occurring is extremely low and in accordance with the LGIASuper trust deed changes to council's obligations will only be made on the advice of an actuary.

The last completed actuarial assessment of the scheme was undertaken as at 1 July 2021. The actuary indicated that "At the valuation date of 1 July 2021, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." The Council is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.

No changes have been made to prescribed employer contributions which remain at 12% of employee assets and there are no known requirements to change the rate of contributions. The next triennial actuarial review is not due until 1 July 2024.

The most significant risks that may result in LGIASuper increasing the contribution rate, on the advice of the actuary, are:

- Investment risk - The risk that the scheme's investment returns will be lower than assumed and additional contributions are needed to fund the shortfall.
- Salary growth risk - The risk that wages or salaries will rise more rapidly than assumed, increasing vested benefits to be funded.

As Council has 31 employees by headcount that are members of the Scheme, any increase in contributions is likely to be minor.

	2022 \$ '000	2021 \$ '000
	Notes	
Superannuation contributions made to the Regional Defined Benefits Fund	278	291
Other superannuation contributions for employees	5,079	5,257
<b>Total superannuation contributions paid by Council for employees</b>	5,357	5,548

6

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 23. Reconciliation of net result for the year to net cash inflow/(outflow) from operating activities

	2022 \$ '000	2021 \$ '000
<b>Net operating result from income statement</b>	4,125	26,455
<b>Non-cash items</b>		
Depreciation and amortisation	43,413	43,604
Impairment of property, plant and equipment	7,115	-
	<u>50,528</u>	<u>43,604</u>
<b>Losses/(gains) recognised on fair value re-measurements through the income statement</b>		
Unwinding of discount rates on reinstatement provisions	(1,840)	42
Write-offs relating to the fair valuation of property, plant and equipment	160	135
Impairment of receivables and bad debts written off	-	(425)
Increase/(decrease) due to impairments	-	-
Bad debts written off which were not provided for	-	-
	<u>(1,680)</u>	<u>(248)</u>
<b>Investing and development activities</b>		
Net (profit)/loss on disposal of assets	(670)	(502)
Loss on write-off of assets	14,909	7,404
Capital grants and contributions	(19,512)	(20,733)
	<u>(5,273)</u>	<u>(13,831)</u>
<b>Changes in operating assets and liabilities:</b>		
(Increase)/decrease in receivables	355	(561)
Increase/(decrease) in provision for doubtful debts	80	(174)
(Increase)/decrease in inventories	(42)	(708)
(Increase)/decrease in contract assets	1,762	(1,136)
Increase/(decrease) in payables	2,357	(4,597)
Increase/(decrease) in contract liabilities	(2,163)	1,509
Increase/(decrease) in employee leave entitlements	(1,135)	845
Increase/(decrease) in other provisions	31	867
Increase/(decrease) in other liabilities	1,091	3,488
Other	-	(2)
	<u>2,336</u>	<u>(469)</u>
<b>Net cash inflow from operating activities</b>	<u>50,036</u>	<u>55,511</u>

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 24. Financial instruments and financial risk management

##### (a) Financial assets and financial liabilities

Council has exposure to the following risks arising from financial instruments; (i) market risk, (ii) credit risk and (iii) liquidity risk.

##### Financial risk management

Council is responsible for the establishment and oversight of the risk management framework, together with developing and monitoring risk management policies.

Council's management approves policies for overall risk management, as well as specifically for managing credit, liquidity and market risk.

The Council's risk management policies are established to identify and analyse the risks faced, to set appropriate limits and controls and to monitor these risks and adherence against limits. The Council aims to manage volatility to minimise potential adverse effects on the financial performance of the Council.

Council's audit committee oversees how management monitors compliance with the Council's risk management policies and procedures, and reviews the adequacy of the risk managements framework in relation to the risks faced by Council. Council's audit committee is assisted in its oversight role by internal audit. Internal audit undertakes regular reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Council does not enter into derivatives.

##### Credit risk

Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. These obligations arise principally from the Council's investments and receivables from customers.

Exposure to credit risk is managed through regular analysis of credit counterparty ability to meet payment obligations. The carrying amount of financial assets represents the maximum credit exposure.

Investments in financial instruments are required to be made with Queensland Treasury Corporation (QTC) or similar State/Commonwealth bodies or financial institutions in Australia, in line with the requirements of the Statutory Bodies Financial Arrangements Act 1982. Council only invests in financial institutions that have an equivalent Standard and Poor's long term rating of A with a neutral outlook or better.

No collateral is held as security relating to the financial assets held by the Council. At times, Council may hold collateral depending on the assessment of risk associated with that counterparty.

The carrying amounts of financial assets at the end of the reporting period represent the maximum exposure to credit risk for the Council.

##### Cash and cash equivalents

The Council may be exposed to credit risk through its investments in the QTC Cash Fund.

The QTC Cash Fund is an asset management portfolio that invests with a wide range of high credit rated counterparties. Deposits with the QTC cash fund are capital guaranteed by the State of Queensland.

##### Receivables

In the case of rates and some utility receivables, the Council has the power to sell the property to recover any defaulted amounts and therefore generally for rates debtors the credit risk is low. However, in certain instances, Council will create a doubtful debt provision for properties with overdue rates and charges, if analysis indicates the amount recoverable by way of sale is likely to be less than the rates and charges (including interest and legal costs) outstanding.

In other cases, the Council assesses the credit risk before providing goods or services and applies normal business credit protection procedures to minimise the risk.

By the nature of the Council's operations, there is a geographical concentration of risk in the Council area. There is also a concentration of risk in the agricultural and resource sectors.



## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 24. Financial instruments and financial risk management (continued)

Council will, where it believes it to be appropriate, require collateral in respect of trade and other receivables.

The exposure to credit risk for trade receivables by type of counterparty was as follows:

	2022 \$ '000	2021 \$ '000
Rates and charges	6,258	6,799
Rates and charges - other*	950	1,246
Gas sales	97	123
Statutory charges	287	316
GST recoverable	554	1,286
Grant funding	-	-
Main roads	395	2,672
Resource sector	2,122	40
Sundry	6,098	5,327
Prepayments	1,634	959
Gas charges not yet levied	721	703
<b>Total</b>	<b>19,116</b>	<b>19,471</b>

Refer to Note 11 for further details.

\* Rates and Charges - Other relates to properties which Council considers that the proceeds through sale of land would not cover the outstanding rates and charges.

When Council has no reasonable expectation of recovering an amount owned by a debtor, and has ceased enforcement activity, the debt is written-off by directly reducing the receivable against the loss allowance. If the amount of debt written off exceeds the loss allowance, the excess is recognised as an impairment loss.

Accounting for impairment losses is dependent upon the individual group of receivables subject to impairment. The loss allowance for grouped receivables reflects lifetime expected credit losses (ECL) and incorporates reasonable and supportable forward-looking information. Economic changes impacting debtors, and relevant industry data form part of the impairment assessment.

#### Liquidity risk

Liquidity risk is the risk that the Council will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Council's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Council's reputation.

#### Exposure to liquidity risk

Council is exposed to liquidity risk through its normal course of business.

The Council manages its exposure to liquidity risk by maintaining sufficient cash deposits to cater for unexpected volatility in cash flows.

Council does not have an overdraft facility (2021: nil)

continued on next page ...

Page 39 of 51

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 24. Financial instruments and financial risk management (continued)

	0 to 1 year \$ '000	1 to 5 years \$ '000	Over 5 years \$ '000	Total contractual cash flows* \$ '000	Carrying amount \$ '000
<b>2022</b>					
Trade and other payables	11,773	975	-	12,748	16,065
Lease liabilities	241	465	38	744	704
	<u>12,014</u>	<u>1,440</u>	<u>38</u>	<u>13,492</u>	<u>16,769</u>
<b>2021</b>					
Trade and other payables	11,840	950	-	12,790	15,104
Lease liabilities	158	129	207	494	463
	<u>11,998</u>	<u>1,079</u>	<u>207</u>	<u>13,284</u>	<u>15,567</u>

\* The contractual cashflows above vary from the carrying amount as they exclude amounts received in advance.

The outflows in the above table are not expected to occur significantly earlier and are not expected to be for significantly different amounts than indicated in the table.

#### Market risk

Market risk is the risk that changes in market indices, such as interest rates, will affect the Council's income or the value of its holdings of financial instruments.

#### Interest rate risk

The Council is exposed to interest rate risk through investments with Queensland Treasury.

The Council has access to a mix of variable and fixed rate funding options through QTC so that interest rate risk exposure can be minimised.

#### Sensitivity

Sensitivity to interest rate movements is shown for variable financial assets and liabilities based on the carrying amount at reporting date.

The Council does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, therefore a change in interest rates at the reporting date would not affect profit or loss.

The following interest rate sensitivity analysis depicts what effect a reasonably possible change in interest rates (assumed to be 1%) would have on the profit and equity, based on the carrying values at the end of the reporting period. The calculation assumes that the change in interest rates would be held constant over the period.

	Net carrying amount \$ '000	Net result		Equity	
		1% increase \$ '000	1% decrease \$ '000	1% increase \$ '000	1% decrease \$ '000
<b>2022</b>					
QTC cash fund	227,830	2,278	(2,278)	2,278	(2,278)
<b>Net</b>	<u>227,830</u>	<u>2,278</u>	<u>(2,278)</u>	<u>2,278</u>	<u>(2,278)</u>
<b>2021</b>					
QTC cash fund	198,898	1,989	(1,989)	1,989	(1,989)
<b>Net</b>	<u>198,898</u>	<u>1,989</u>	<u>(1,989)</u>	<u>1,989</u>	<u>(1,989)</u>

Page 40 of 51

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 25. National competition policy

##### Business activities to which the code of competitive conduct is applied

Council applies the competitive code of conduct to the following activities:

- Commercial Works
- Waste Management
- Water Services
- Sewerage Services
- Gas Supply
- Quarries
- Washdown Bays
- Dalby Regional Saleyards

This requires the application of full cost pricing, identifying the cost of community service obligations (CSO) and eliminating the advantages and disadvantages of public ownership within that activity. The CSO value is determined by Council, and represents an activities cost(s) which would not be incurred if the primary objective of the activities was to make a profit. The Council provides funding from general revenue to the business activity to cover the cost of providing non-commercial community services or costs deemed to be CSO's by the Council.

##### The following activity statements are for activities subject to the competitive code of conduct:

	Commercial works \$'000	Waste management \$'000	Water services \$'000	Sewerage services \$'000
Revenue for services provided to the Council	-	220	988	358
Revenue for services provided to external clients	13,191	7,470	12,038	8,790
Community service obligations	-	1,049	1,579	-
	-	8,739	14,605	9,148
Less: expenditure	-12,298	-8,739	-14,605	6,557
Surplus	893	-	-	2,591

	Gas supply \$'000	Quarries \$'000	Washdown bays \$'000	Dalby regional saleyards \$'000
Revenue for services provided to the Council	97	6,685	-	-
Revenue for services provided to external clients	3,257	323	937	2,575
Community service obligations	-	-	-	-
	3,354	7,008	937	2,575
Less: expenditure	-1,997	5,557	-758	-1,947
Surplus	1,357	1,451	179	628

##### Description of CSO's provided to business activities:

Activities	CSO description	Actual \$'000
Water and sewerage	To transfer general revenue for the shortfall in revenue.	1,579
Waste Management	To transfer general revenue for the shortfall in revenue.	1,049

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 26. Transactions with related parties

Council has no interests in any subsidiaries.

##### (a) Associates

Council has no interests in any associates.

##### (b) Joint ventures

Council has no interests in any joint ventures.

##### (c) Key management personnel

###### Transactions with key management personnel

Council's key management personnel (KMP) includes the Mayor, Councillors, Chief Executive Officer and some executive management.

	2022 \$ '000	2021 \$ '000
<b>The compensation paid to key management personnel for comprises:</b>		
Short-term employee benefits	1,805	1,925
Post-employment benefits	203	192
Long-term benefits	99	14
Termination benefits	271	-
<b>Total</b>	<b>2,378</b>	<b>2,131</b>

##### (d) Other Related Parties

###### Transactions with other related parties

Other related parties include the close family members of KMP and any entities controlled or jointly controlled by KMP or their close family members.

Details of transactions between Council and other related parties are disclosed below:

	Amount of transactions during year \$ '000
<b>2022</b>	
Employee expenses for close family members of KMP	206
Purchase of materials and services from related parties of KMP	38
	<b>244</b>
<b>2021</b>	
Employee expenses for close family members of KMP	201
Purchase of materials and services from related parties of KMP	35
	<b>236</b>

All close family members of key management personnel were employed through an arm's length process. They are paid in accordance with the Award for the work they perform.

## Western Downs Regional Council

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 26. Transactions with related parties (continued)

The Council employs 653.55 FTEs of which 4 are close family members of key management personnel.

Council purchased the following material and services from related parties of key management personnel. All purchases were at arm's length and were in the normal course of Council operations.

	2022 \$'000	2021 \$'000
Australia Day Materials	1	-
Bus hire	5	1
Words Out West Performance	1	-
Catering	8	4
Machinery parts	24	30
<b>Total</b>	<b>39</b>	<b>35</b>

#### (e) Transactions with related parties that have not been disclosed

Most of the entities and people that are related parties of Council live and operate within the Western Downs Region.

Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties.

Some examples include:

- Rates and utility charges
- Dog registrations
- Hire and use of Council facilities

Council has not included these types of transactions in its disclosure where they are made on the same terms and conditions available to the general public.

## Western Downs Regional Council

### General Purpose Financial Statements

for the year ended 30 June 2022

#### Management Certificate

for the year ended 30 June 2022

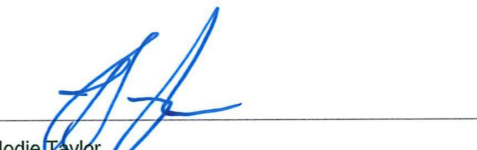
These General Purpose Financial Statements have been prepared pursuant to sections 176 and 177 of the *Local Government Regulation 2012* (the Regulations) and other prescribed requirements.

In accordance with Section 212(5) of the Regulation, we certify that:

- i. the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulations 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- ii. the General Purpose Financial Statements, as set out on pages 2 to 50, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.



Paul McVeigh  
Mayor  
11 October 2022



Jodie Taylor  
Chief Executive Officer  
11 October 2022

## INDEPENDENT AUDITOR'S REPORT

To the Councillors of Western Downs Regional Council

### Report on the audit of the financial report

#### Opinion

I have audited the accompanying financial report of Western Downs Regional Council (the Council).

In my opinion, the financial report:

- a) gives a true and fair view of the Council's financial position as at 30 June 2022, and of their financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the certificate given by the Mayor and the Chief Executive Officer.

#### Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of my report.

I am independent of the Council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Other information

Other information comprises financial and non-financial information (other than the audited financial report) in an entity's annual report.

At the date of this auditor's report, the available other information in Western Downs Regional Council's annual report for the year ended 30 June 2022 was the current year financial sustainability statement and long-term financial sustainability statement.

The councillors are responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Local Government Regulation 2012, I have expressed a separate opinion on the current year financial sustainability statement.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report and my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

#### Responsibilities of the councillors for the financial report

The Council is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards, and for such internal control as the councillors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The councillors are also responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the Council.

#### Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.

● **Queensland**  
 ● ● **Audit Office**  
*Better public services*

- Conclude on the appropriateness of the Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

### Report on other legal and regulatory requirements

In accordance with s. 40 of the *Auditor-General Act 2009*, for the year ended 30 June 2022:

- I received all the information and explanations I required.
- In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.



David Adams  
as delegate of the Auditor-General

14 October 2022

Queensland Audit Office  
Brisbane

## Western Downs Regional Council

### General Purpose Financial Statements

for the year ended 30 June 2022

#### Current Year Financial Sustainability Statement

	Actual 2022	Target 2022
<b>Measures of financial sustainability</b>		
<b>1. Operating surplus ratio</b>		
Net result (excluding capital items)	2.57%	0% - 10%
Total operating revenue (excluding capital items)		
An indicator of which the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.		
<b>2. Asset sustainability ratio</b>		
Capital expenditure on the replacement of assets (renewals)	82.11%	> 90.00%
Depreciation expense		
An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.		
<b>3. Net financial liabilities ratio</b>		
Total liabilities less current assets	(122.12)%	< 60.00%
Total operating revenue (excluding capital items)		
An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.		

#### Note 1 - basis of preparation


The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the Local Government Regulation 2012 and the Financial Management (Sustainability) Guideline 2013. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2022.

Western Downs Regional Council  
 General Purpose Financial Statements  
 for the year ended 30 June 2022

Certificate of Accuracy

This current-year financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the Regulation).

In accordance with Section 212(5) of the Regulation we certify that this current year financial sustainability statement has been accurately calculated.



Paul McVeigh  
 Mayor  
 11 October 2022



Jodie Taylor  
 Chief Executive Officer  
 11 October 2022



**INDEPENDENT AUDITOR'S REPORT**

To the Councillors of Western Downs Regional Council

**Report on the current-year financial sustainability statement**

**Opinion**

I have audited the accompanying current year financial sustainability statement of Western Downs Regional Council for the year ended 30 June 2022, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with s. 212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current year financial sustainability statement of Western Downs Regional Council for the year ended 30 June 2022 has been accurately calculated.

**Basis of opinion**

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the current year financial sustainability statement* section of my report.

I am independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the statement in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Emphasis of matter – basis of accounting**

I draw attention to Note 1 which describes the basis of accounting. The current year financial sustainability statement has been prepared in accordance with the Financial Management (Sustainability) Guideline 2013 for the purpose of fulfilling the council's reporting responsibilities under the Local Government Regulation 2012. As a result, the statement may not be suitable for another purpose. My opinion is not modified in respect of this matter.

**Other Information**

Other information comprises financial and non-financial information (other than the audited financial report) in an entity's annual report.

At the date of this auditor's report, the available other information in Western Downs Regional Council's annual report for the year ended 30 June 2022 was the general purpose financial statements and long-term financial sustainability statement.

The councillors are responsible for the other information.

My opinion on the current year financial sustainability statement does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

However, as required by the Local Government Regulation 2012, I have expressed a separate opinion on the general purpose financial report.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report and my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

#### **Responsibilities of the councillors for the current year financial sustainability statement**

The councillors are responsible for the preparation and fair presentation of the current year financial sustainability statement in accordance with the Local Government Regulation 2012. The councillors responsibility also includes such internal control as the councillors determine is necessary to enable the preparation and fair presentation of the statement that is accurately calculated and is free from material misstatement, whether due to fraud or error.

#### **Auditor's responsibilities for the audit of the current year financial sustainability statement**

My objectives are to obtain reasonable assurance about whether the current year financial sustainability statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this statement.

My responsibility does not extend to forming an opinion on the appropriateness or relevance of the reported ratios, nor on the council's future sustainability.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.

- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



David Adams  
as delegate of the Auditor-General

14 October 2022

Queensland Audit Office  
Brisbane

## Western Downs Regional Council General Purpose Financial Statements

for the year ended 30 June 2022

### Unaudited Long Term Financial Sustainability Statement

	Target	Actual	Forecast								
	2022	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031

#### Measures of financial sustainability

<b>1. Operating surplus ratio</b>												
Net result (excluding capital items)												
Total operating revenue (excluding capital items)	< 10.0%	<b>2.6%</b>	2.2%	6.6%	6.7%	6.3%	5.5%	5.2%	5.0%	4.3%	4.3%	3.9%

An indicator of which the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.

#### **2. Asset sustainability ratio**

Capital expenditure on the replacement of assets (renewals)	> 90.0%	<b>82.1%</b>	100.8%	105.2%	81.2%	103.4%	93.9%	82.5%	106.8%	83.1%	83.5%	101.3%
Depreciation expense												

An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.

#### **3. Net financial liabilities ratio**

Total liabilities less current assets	< 60.0%	<b>(122.1)%</b>	(135.2)%	(123.0)%	(121.9)%	(111.1)%	(114.7)%	(121.1)%	(120.4)%	(126.5)%	(130.7)%	(129.6)%
Total operating revenue (excluding capital items)												

An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.

#### **4. Cash Cover of Operating Expenses**

Cash and investments	> 4.0	<b>17.1</b>	18.0	17.1	16.8	15.3	15.6	16.3	16.1	16.7	17.2	17.0
Operating expenses (inc. depreciation) divided by 12												

Indicates the extent to which Council can meet its operating and capital expenditure commitments without receiving any form of revenue and without having to borrow.

#### **5. Council Controlled Revenue Ratio**

continued on next page ...

Page 49 of 51

## Western Downs Regional Council

### General Purpose Financial Statements

for the year ended 30 June 2022

	Target	Actual	Forecast								
	2022	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031

Council controlled revenue	> 60.0%	<b>66.1%</b>	72.5%	69.8%	70.3%	70.3%	70.5%	70.4%	70.4%	70.4%	70.3%	70.3%
Total operating revenue												

Operating revenue that Council controls through its own decision making as a percentage total of operating revenue.

#### **6. Remaining Useful Life of Assets Ratio**

Property, plant and equipment	> 30.0	<b>35.4</b>	33.2	33.2	33.3	33.4	33.6	33.5	33.3	32.9	33.1	32.8
Depreciation												

Indicates the average remaining useful life for Council's assets. This ratio excludes Works in Progress, Land, Intangible and Right of Use Assets.

#### Western Downs Regional Council Financial Management Strategy

Council measures revenue and expenditure trends over time as a guide to future requirements and to make decisions about the efficient allocation of resources to ensure the most effective provision of services. Council ensures that its financial management strategy is prudent and that its long-term financial forecast shows a sound financial position whilst also being able to meet the community's current and future needs.

Page 50 of 51



## Western Downs Regional Council

### General Purpose Financial Statements

for the year ended 30 June 2022

### Certificate of Accuracy - Long Term Financial Sustainability Statement

---

This long-term financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the Regulation).

In accordance with Section 212(5) of the Regulation we certify that this long-term financial sustainability statement has been accurately calculated.



Paul McVeigh  
Mayor  
11 October 2022



Jodie Taylor  
Chief Executive Officer  
11 October 2022

12 